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Political Crisis Threatens Italy's Economic Stability

By Alan Friedman

ROME — The deeply divisive political crisis that climaxed with the resignation of Prime Minister Silvio Berlusconi has already floored the Italian lira, sent foreign investors running for cover and pushed interest rates to artificially high levels.

Now, the state of confusion and near hysteria among many Italian politicians is

NEWS ANALYSIS

such that unless tough action is taken to restore confidence in the management of Italy's economy, the country's recovery -and perhaps even its overall economic stability - could soon be at risk.

Antonio Fazio, governor of the Bank of Italy, said as much after Mr. Berlusconi resigned, when he warned in a speech that financial markets were awaiting a signal that Rome would take new steps to cut Italy's bloated fiscal deficit. "We all must hope, believing in the rationality of man, that clear and determined signs are given in the next few weeks," Mr. Fazio said.

The consensus among many economists, foreign investors, Italian business leaders and international bankers, however, is that this may not happen for several weeks, or even months, as the political crisis is played out.

The price of political instability has already been heavy. Although Italy's real economy has been on a recovery trend, Mr. Berlusconi's failure to inspire confidence in financial markets can be seen in a few

• The lira has fallen by 10 percent since May 11, when the Berlusconi government was sworn in.

• The Milan bourse, initially bullish about Mr. Berlusconi's election, has dropped by 25 percent since May.

• Foreign investors have been pulling cout of Italy in recent months, and Italy has suffered a total capital outflow of more than 17 trillion lire (\$10.4 billion) since the start of 1994.

• The gap between Italian and German interest rates - a measure of investor percentage points, since May, adding

See FUTURE, Page 5

By Tim Golden

New York Times Service

itals of the developed world, a favorite

story of Latin American success in recent

years was about a closed economy thrown

open by bold technocrats trained at Ivy

League universities. It told of investments

NEWS ANALYSIS

pouring in, inflation being vanquished, de-

mocracy taking root.
This week, however, the tale that inves-

tors called "the Mexico story" suddenly

After the government announced Wednesday night that it would abandon

its defense of the peso and let the currency

trade freely against the dollar, Mexicans awoke to a country that most thought had

been consigned to their difficult economic

past. It is a place of threatening inflation,

recession and myriad uncertainties.

turned darker.

MEXICO CITY - In the financial cap-

Bank Governor President Seeks Calls for Sign Reform Before Of Deficit Cut New Elections

ROME - President Oscar Luigi Scalfaro began the search on Friday for a way out of Italy's political morass, apparently determined to resist pressure from the Caretaker prime minister, Silvio Berlus-coni, for early elections.

Interior Minister Roberto Maroni said Mr. Scalfaro, arbiter in the country's deepest political crisis for nearly two decades. wanted a new electoral system in operation before Italians voted again.

"The president's thinking is that elections should take place only after Parlia-ment has written the rules," Mr. Maroni

signed Thursday rather than face defeat in a no-confidence drive inspired by former coalition partners in the Northern League.

kept up his pressure for early elections. "We must return to the people and ask them to express their opinion as soon as possible," he said at a news conference on Friday. He was reported to have suggested to Mr. Scalfaro that the elections be held in

late March or early April. Mr. Berlusconi acknowledged that Mr. Scalfaro did not share his view, but said he hoped to win him over "with a series of arguments."

Mr. Scalfaro must decide whether to dissolve Parliament and hold early elec-tions or seek a successor to Mr. Berlusconi to formulate Italy's 54th government since World War II.

Mr. Berlusconi, who served as prime minister for seven months, insisted that only he could lead Italy in this time of scandals, political change and reform. But he did acknowledge that someone else could eventually replace him.

"I don't believe I'm the only prime minister possible," he said when asked if he would be willing to let someone else be prime minister in order to save his conservative coalition.

But he said that he had "made it clear" to Mr. Scalfaro that "it would be an error to change the composition of this government for the brief period that separates us from the necessary elections."

Mr. Berlusconi also repeated earlier asto sever ties with Fininvest, his media and

See SCALFARO, Page 5

ened economic uncertainty. In New York currency markets, the dollar traded at 4.65

pesos, little changed from Thursday. Meanwhile, the Mexican stock market was

up sharply in early trading as investors

The sudden collapse of the peso was in fact neither so sudden nor so complete. In

the long run, some investors said, the economy will have a more solid foundation if

the peso can be wrestled down to a more stable, if weaker, level. The government of

President Ernesto Zedillo Ponce de León,

Yet by his awkward handling of an ad-

justment in the currency that both some

government officials and many of their

political opponents have long thought nec-

essary, Mr. Zedillo was seen Thursday as having lost control of the economy.

The peso's fall has impoverished Mexi-

cans by at least 30 percent in terms of the

dollar, jeopardizing the new president's already uncertain mandate. Perhaps

See MEXICO, Page 5

in office three weeks, gave just that expla-

went bargain-hunting, Page 7

nation for its move.

A Violent Rooftop Protest in Istanbul

A policeman running in flames Friday as a second officer tried to help him after he was doused with gasoline and set aftre by a man, rear, during a protest atop a building. The police were sent to tear down a row of illegal fish restaurants and were opposed by the owners. State television said one policeman and one of the protesters were hospitalized with burns. At least three people were detained.

In Bethlehem, Nothing New for Christmas

By Joel Greenberg

BETHLEHEM, Israeli-Occupied West Bank — It was supposed to be a different Christmas season here this year, brimming with the spirit of peace and hopes for the expansion of Palestinian autonomy to the entire West Bank.

But preparations in this town of 50,000 seem joyless during this holiday season, the first since the start of Palestinian self-rule in the Gaza Strip and Jericho.

The Christmas Eve services that attract thousands of visitors to Manger Square and the Church of the Nativity, venerated as the site of Jesus's birth, are likely to follow familiar patterns.

The Israeli Army still controls security and access to the square, as it has for nearly three decades. Religious ceremonies will follow traditional protocol, leaving little in Palestinian hands aside from the flags added to decorations put up by the municipality. The red, green, black and white banners, once outlawed by Israel,

were hoisted this week above City Hall. The festivities here, like life in general in the West Bank, seem to run on inertia, as Palestinians look for substance beyond the symbols of political change they have witnessed since the accord reached last year between Israel and the Palestine Liberation Organization. Their search is often in

Many say they are worse off economically because of restrictions on work in Israel. They are waiting for tangible improvements in daily life to give them real cause for celebration, they say. Difficulties in negotiations between Israel and the PLO on Palestinian elections and an accompanying Israeli pullout from West Bank towns add to the discouragement.

"People were hoping that this year, Christmas celebrations would be under the auspices of the Palestinian Authority, but the delay in the redeployment of the Israeli Army has not made it possible," said Bethlehem's deputy mayor, Hanna Nasser.

Mayor Elias Freij said: "The excitement of putting up a Palestinian flag is gone. Can you translate that into dollars or jobs? People need to feel the spirit of peace, and they don't. With an empty stomach and an empty pocket, how do people feel?"

Mansour Sayuri, who has a refreshment stand in the marketplace, said there was little cheer in the streets. "We hear only talk, but we want something we can touch," he said. "We see flags, but we don't see a government."

His stall is next to the local tourism bureau, handed over recently by Israel to the Palestinian Authority. It is one of the few services under Palestinian responsibil-

See CHRISTMAS, Page 5



An Israeli border policeman with his finger on the trigger Friday in Bethlehem.

Russians Hit Chechens in **Most Violent** Raids of Siege

Dozens Killed or Hurt; Attacks Seem Intended To Terrorize Civilians

By Lee Hockstader

Washington Post Service
SLEPTSOVSKAYA, Russia — Russian air, artillery and ground forces struck the Chechen capital, Grozny, on Friday, leav-ing dozens of civilians dead or wounded and destroying houses, apartment blocks and public buildings. According to refugees, Chechen officials

contacted by telephone and the handful of Western journalists who remained in Grozny, the Russian onslaught was indiscriminate and appeared intended to provoke terror in the city, perhaps to induce

civilians to leave.
"It's a nightmare," said Sharifa Tu-tayeva, 38, who spoke to reporters near Chechnya's western border Friday morning just hours after she fled the city. "There are corpses everywhere. Cars are burning. It's terrible, terrible."

The attack on central Grozny and suburbs to the east, west and north of the city was the most violent since Russian forces moved into Chechnya on Dec. 11 to end the breakaway region's three-year drive for independence.

The lower house of the Russian Parliament called Friday for a cease-fire in Chechnya, and the United States, Britain and France expressed growing concern over the bloodshed.

But the intensity of the Russian assaults on Grozny, which broke off in the morning and then resumed in the afternoon, suggested that after days of indecision, the government was determined to seek an early military resolution to the Chechen crisis, even at the cost of many more civil-

In raids overnight and again Friday morning, Russian warplanes dropped bombs and fired rockets on residential neighborhoods as paratroopers and other Russian forces advanced on the city. There was a concerted attack by planes, helicopters and tanks on the town of Argun, 13 kilometers (8 miles) east of Grozny, where fires were reported burning for much of the day.

If Argun falls, it would give the Russian control of the eastern access to Grozny, leaving only the southern route to the Caucasus Mountains as an escape corridor for

West of Grozny, a convoy of Russian armor several kilometers long was seen moving toward the city. A refugee said he had seen the Russian forces fire Grad

See CHECHNYA, Page 5

Bosnia Truce To Start, Then 'Who Knows?'

By John Pomfret

SARAJEVO, Bosnia-Herzegovina -The Bosnian government signed an agree-ment with rebel Serbs on Friday to silence their guns and begin negotiations on a four-month "total cessation of hostilities," with both sides crediting former President Jimmy Carter for the pause in the 32month war.

Under the agreement, brokered by the United Nations, the cease-fire is scheduled to begin at noon Saturday, one day later than Mr. Carter had negotiated earlier this week. The reason for the delay involved persistent differences between the two factions and highlighted the fragile nature of the truce and the difficulties that lie ahead.

Significantly, the five-point agreement failed to include two topics that UN officials considered key to the resumption of successful peace talks in Bosnia - the question of exchanging prisoners of war, detainees and information on missing per-sons and any mention of an international peace plan for Bosnia that is supposed to be the basis for any further discussions.

Given these somewhat ominous omissions, it was unclear whether the agreement marked a turning point in the war or just another in a long line of flimsy cease-

See BOSNIA, Page 5

Stepping Up in Baseball Strike: An Angry Congress

By Keith Bradsher

New York Times Service WASHINGTON — — Angered by the decision of baseball club owners to impose a salary cap on players, senior members of Congress — Republicans and Democrats — said Friday that they would try to revoke the industry's sixdecade-old exemption from antitrust

The owners' executive council declared an impasse in negotiations in the four-month-old dispute with striking players and unilaterally put into effect an economic system that places a limit

on payrolls and eliminates salary arbitra-

[Negotiations in another major North American sport, ice hockey, were continuing fitfully as the National Hockey League's lockout of its players reached its 84th day Friday. But there were hints of a settlement in that dispute. Page [7.]

Senator Daniel Patrick Moynihan, Democrat of New York, said he would use his seniority to introduce legislation on Jan. 4, the first day of Congress next year, to repeal the exemption for base-ball. Senator Orrin Hatch, Republican of Utah, who will head the Senate Judiciary Committee, said he no longer opposed such legislation and would try to push it to the Senate floor quickly.

"I am fast becoming convinced that the majority of the owners are trying to break the players association," Mr. Hatch said in a telephone interview. "I do not want to become involved in collective bargaining negotiations, but I'm starting to believe, like many people, that these negotiations are not being done in good faith."

The antitrust exemption, which no other major league sport shares, allows baseball owners to impose industry-wide

salary limits while partly shielded from any lawsuits that the players may file. The exemption also allows a majority of owners to block owners who may want to move their franchises to new cities.

The current baseball strike has fundamentally changed the politics of an issue that has bedeviled Congress for a quarter of a century, said Senator Bob Graham, Democrat of Florida.

While many members of the House have long supported the repeal of the exemption, which no other major league

See BASEBALL, Page 17

[Standard & Poor's Corp. said Friday it had lowered its ratings on peso-denominated debt of \$30 billion, reflecting height-

Kiosk

Tainted Mexican Miracle:

Crash Is Cautionary Tale

Clinton Extends Sanctions on Libva

Bill Clinton on Friday renewed for a year the financial and trade sanctions imposed on Libya since 1986 as punishment for that country's alleged support of terrorism.

Mr. Clinton said the regime of Colonel Moammar Gadhafi had failed to comply with anti-terrorist resolutions passed by the UN Security Council or to ensure that those responsible for the attack on Pan Am Flight 103 over Scotland on

WASHINGTON (AP) — President Dec. 21, 1988, were brought to justice.

The United States believes that still stronger United Nations Security Council sanctions should be enacted if Libya continues to defy the international comnunity," a White House statement said. Mr. Clinton told congressional leaders

that he was extending the state of emer-gency between the United States and Libya because Libya had failed to act concretely to end its support of terror-ism, as called for by the UN resolutions.

Book Review

Crossword

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The National Gallery in London gives the public a rare glimpse of the attribution game.

Newsstand Prices

ф 0.08% " Up 18.51 112.39 3833.43 The Dollar 1,5743 1.5468 100.25 100.12

By Kevin Murphy

HONG KONG - A heated debate about Hong Kong's future judicial system is revealing deep concerns here about the ration. That is the international treaty that scripts Hong Kong's meddling under Chinese rule.

Technically, the controversy is about the number of foreign jurists who will sit on a new Final Court of Appeal after 1997, when the British colony returns to Chinese sovereignty.

But on a deeper level, a choice has to be made between political pragmatism and constitutional legal principles.

As Martin Lee, a local lawyer and legislator, said, "The whole debate over the court is closely tied to the question of whether Hong Kong will continue to have an independent legal system and the rule of law, or whether we will have a common-law system with Chinese

Hong Kong has long been dominant as a legal center for China-related business, reflecting concern about the independence of China's judiciary and its apparently arbitrary rulings.

Yet, China has raised doubts as to whether judges now sitting in Hong Kong courts, predominantly expatriates, will automatically continue in service past 1997.

Governor Chris Patten has lobbied legislators to accept a Beijing-backed replacement for what is now the highest court of appeal for Hong Kong, London's Privy Council.

He and several lawyers and business executives contend that a less-than-perfect system is better than no system at all. China firmly opposes any different arrangements than already proposed for a new Court

of Final Appeal. At the same time, 600 ordinances and 1,000 pieces of re-lated legislation must be adapted to local laws, a complex process which Britain and China have yet to agree upon.

"I'm not sure business is watching it closely now," said Nick Moakes, an analyst with S. G. Warburg Securities, of the unfolding changes. "But it probably should be."

Strongly backed by Hong Kong's barristers and solicitors, legislators rejected in December 1991 a government proposal to create the Final Court of

Appeal.

Opponents of the plan main-

tained that a proposal secretly hammered out in 1991 between Beijing and London contravened earlier provisions of the 1984 Sino-British Joint Declareturn to Chinese rule, and its miniconstitution, the Basic

With time running out to establish a new court, the Hong Kong Bar Association recently repeated its opposition to the Court of Final Appeal. The Bar Association represents the barristers who appear in local

But the executive council of the Law Society, which represents the solicitors who prepare cases and act for clients in legal matters outside of the courts, reversed itself to hold that Hong Kong's overall interests were best served by accepting the government's stance.

The influential group's position will hold sway among legislators when they vote upon it,

"For commercial reasons, lawyers don't want to be seen as a thorn in the side of China, said a lawyer. "But if we are willing to accept expedience over an interpretation of law under a little pressure now, it sets a terrible precedent for the

Britain, convinced it would get no better deal from China after lengthy negotiations, has accepted a structure that will allow one foreigner at most to sit on the Court of Final Ap-

"It's sensible to include judges from other common law jurisdictions," said Christine Loh, a local legislator. "To say we can have one foreign judge doesn't do that."

China's willingness to abolish a court which it has not fully endorsed cannot be discounted. Beijing intends to dismantle the Legislative Council when it re-gains control of Hong Kong, because it bitterly opposes the electoral reforms Mr. Patten instituted in June this year.

"The deal is there, and it is the British side's responsibility to see the deal through," said Zhang Junsheng, deputy direc-tor of the New China News Agency, Beijing's de-facto embassy in Hong Kong, in late October.

Britain is clearly taking the agreement seriously.



PRISON CONVERSIONS — Taiwan prison immates in traditional Buddhist robes listening to a teacher after they became monks in a Taipei ceremony Friday. Among the 12 foreigners in the group were three hijackers from China.

Opponents Call on Indian Leader to Quit

NEW DELHI -- Opposition lawmakers in India, buoyed by the removal of three ministers accused of corruption, trained day, demanding he also resign because of the scandals.

Opposition lawmakers forced the adjournment of both houses of Parliament with nonstop calls for the resignation of Mr. Rao, who reluctantly obtained the resignations of the three ministers Thursday night to defuse a political crisis.

men have been arrested in new

incidents around the White

House, the U.S. Park Police and

claiming falsely that there was a

bomb in his car. Another was

charged with carrying an illegal

One man was arrested after

the Secret Service said.

nomyrdin, was not present in either house of Parliament. But opposition members of the lowtheir guns on Prime Minister opposition members of the low-P. V. Narasimha Rao on Frier bouse demanded that he come before them and answer their charges.

This has gone on too long. Now you must resign and seek a fresh mandate," an opposition leader, Lal Krishna Advani, told the governing Congress (I) Party benches in the lower

WASHINGTON - Three gate was opened briefly was jumped out and was chased

charged with unlawful entry.

incidents Thursday and Friday.

Law enforcement officials said

none of the episodes were

viewed as a threat to President

Bill Clinton, who was in the

White House at the time. firearm. And a man who the The man who claimed to White House and the Washing-Secret Service said walked onto have a bomb drove a car close ton Monument grounds. He

The 73-year-old Mr. Rao, ment, said Mr. Advani, who was meeting the Russian heads the main opposition prime minister, Viktor S. Cher-Bharatiya Janata Party. You better resign and face elec-

> Two of the three ministers -Health Minister B. Shankaranand and the deputy rural development minister, Rameshwar Thakur - were linked to a \$1.3 was accused of involvement in a

Rao's rival in the Congress Par- ends in mid-1996.

down by a park police officer

Secret Service. The man was

identified as Joseph Maggio, 36.

carrying a gun was arrested on

the Ellipse, the open park be-tween the south grounds of the

In an earlier incident, a man

ty, threatened to quit the cabinet if the three ministers did not Tribal Clashes Widen in Burundi

The opposition had paralyzed Parliament for more than a week over the issue and vowed Friday to step up its campaign

The opposition argued that billion securities fraud. The Mr. Rao, who is also the Confood minister, Kalp Nath Rai, gress Party president, was the real source of corruption in the government and should quit But on Tuesday, Arjun and call fresh elections to Par-Singh, a senior minister and Mr. liament, whose five-year term

was identified as Franklin Ruff,

identified as Richard Green, 44,

of Washington, wandered into

the White House grounds when

the Southwest Gate was briefly

On Tuesday, the Park Police

shot a knife-wielding man on the

sidewalk outside the White

House fence. He died a day later.

opened to let a vehicle out.

On Thursday evening, a man

27, no fixed address.

Estimates Jump on Russia Oil Spill 3 More Arrested in New White House Incidents

MOSCOW (Reuters) — Russia's Ecology Ministry said Friday that 90,000 to 120,000 tons of oil had spilled as a result of recent pipeline leaks in the far north Komi republic, well above an estimate by local officials. A group of United Nations experts said earlier this month that

WORLD BRIEFS

No Word From North Korea on Pilot

SEOUL (AP) - There was no word Friday of any progress in efforts to obtain the release of an American pilot held by North Korea, but U.S. officials still held out hope he would be freed by

"We, of course, are seeking a meeting at Panmunion, but the North has not responded to our request," said Jim Coles, a spokesman for the U.S. military in South Korea. Panmunjom, the truce village in the Demilitarized Zone, was

the site for the repatriation on Thursday of Chief Warrant Officer David Hilemon's body. He and Chief Warrant Officer Bobby Hall were aboard a U.S. Army helicopter that strayed into North

Korea last Saturday and either made an emergency landing or was

BELFAST (Reuters) - Northern Ireland's hard-line Protestant

representatives pressed Britain on Friday to free hundreds of their supporters from jail after Ireland released nine IRA convicts in a

Political parties close to the province's Protestant guerrillas

made their plea in a second round of talks with British officials.

holding out for a release as a reward for an October cease-fire.

They said that it was agreed that the two sides would hold a third round of talks on Jan. 12. Spokesmen for the guerrillas were optimistic that Britain would back down on its refusal to free

Dutch Test Law on Infant Euthanasia

THE HAGUE (AP) — In a sign the Dutch are heading for an infant cuthanasia policy, the Justice Ministry said Friday that acquittal was likely in the case of two doctors who face trial for killing severely deformed newborns.

"The prosecutor's office expects they will not be found guilty," said a Justice Ministry spokeswoman. She said such a verdict was

expected because the physicians had followed as closely as possi-ble the official guidelines for adult euthanasia. The purpose of the

prosecution, she added, was to establish legal precedent rather

BUJUMBURA, Burundi (AP) -- Fighting between Hutu and

Despite the violence in the western neighborhood, Buyenzi, and

reports of shooting in the southern neighborhood of Kanyosha,

most inhabitants of the capital resumed normal activities Friday.

Only a few shops remained closed, as did the central post office.

Since last Sunday, clashes in the capital have left at least 30

dead and set off new fears of civil war. The government imposed a

dusk-to-dawn curfew on Bujumbura Wednesday after an emer-

Tutsi militias spread to the western part of the Burundian capital,

Bujumbura, on Friday, with youths throwing grenades and firing

people convicted of security offenses.

than to punish the doctors.

automatic weapons.

gency cabinet meeting.

Ulster Protestants Press for Releases

at least 79,000 tons of oil had spilled from the pipeline over a prolonged period and remained on the ground in early December. This figure was accepted by the Russian Civil Defense Ministry.

Christmas Readen

Allendary's

Police Say See 3

For the Record

President Bill Clinton named Martin Indyk, a top adviser on Arab-Israeli affairs, as the new U.S. ambassador to Israel on Thursday. Mr. Indyk, 43, has been senior director for Middle East and South Asian affairs at the National Security Council and is also the senior member of Secretary of State Warren M. Christopher's Middle East peace team. His confirmation is subject to

A Twist at the Top In French Scandals

By Joseph Fitchett International Herald Tribune

PARIS - A whiff of dirty tricks spiced French elections Friday as political leaders wrestled with an alleged bribery case and arranged for him to accept that could be a calculated effort one million French francs in to divert attention from bigger corruption charges involving Gaullist officials close to Jacques Chirac, the mayor of Paris and a candidate for president.

President François Mitterrand, who seems to have lost none of his zest for tripping up Mr. Chirac, invoked a seldomused official power to prevent the bribery case from sidelining the original inquiries about political payoffs.

That case, which has already brought down a cabinet minister, seemed to be finding a trail of kickbacks running into the political and financial strongholds of the Gaullists — City Hall in Paris and the local goverament in the surrounding

Mr. Mitterrand clearly senses the possibility of a major scandal waiting to engulf Mr. Chirac and perhaps other leading conservatives, evening the score for earlier revelations about official misdoing that helped shatter the Socialists.

On the surface, the case is simple enough: allegations of a and any revelations about corbribe to the father-in-law of the ruption in Paris would be postmagistrate investigating alleged corruption in Mr. Chirac's of-

fice. The alleged recipient of the bribe — Dr. Jean-Pierre Maréchal, a prominent psychiatrist
— was seized Wednesday when French police acted on a tip-off specially numbered bills. Dr. Marechal insisted that he was

The police informant was Didier Schuller, a political power in Gaullist political circles. He said publicly that Dr. Marechal had solicited the bribe.

In the version given by Mr. Schuller, Dr. Marechal promised to convince a magistrate. Eric Halphen, to bury any damaging evidence against the Gaullists, apparently for a bribe. Mr. Halphen is Dr. Maréchal's son-in-law.

Superficially good news for the Socialists, this alleged evidence of an attempt to tamper with French justice carried a risk: Despite his reputation for integrity, Mr. Halphen might be taken off the case. Since the magistrate is the

man who must pursue the case, changing him would be a classic tactic for burying a politically embarrassing investigation. In an inquiry as complicated

as this one, a new magistrate would need months to catch up, poned until after the presidential elections scheduled in May.

TOPICS For Older Women, Smoking Adds 5 Years to a Person's Age

> Elderly women who smoke are weaker and less agile than their nonsmoking contemporaries, researchers say. They may also feel older.

AMERICAN

"For an older woman, smoking may have the same effect as adding five years to a person's age," said Heidi D. Nelson, lead author of a study that appears in the current Journal of the American Medical Association.

The study measured how 9,704 white women over the age of 65 performed such basic physical tasks as gripping an object, walking, rising from a chair and climbing stairs.

Smokers performed more poorly than nonsmokers in 11 of 12 categories tested, said Dr. Nelson, an assistant professor of internal medicine at Oregon Health Sci-

ences University's School of Medicine. She said smoking caused vascular problems that might explain the poorer

White House grounds when a to the White House fence,

No one was burt in any of the and a uniformed officer of the

The smokers in the group averaged 16 cigarettes a day.

Short Takes

The United States service acader report a drop in the number of applicants. Officials cite two reasons: the military establishment is shrinking, and the obligation to serve five years on active duty after graduation was increased to six years in 1992. Since then, applications to the military academy at West Point and the air force academy at Colorado Springs have shrunk 11 percentage points and at the naval academy at Annapolis, 8 percent. A service academy education costs taxpayers about

Near Miami, Orlando Pinero, 56, made the mistake of trying to break up a light between two of the pigs he raises, each weighing from 300 to 400 pounds (roughly 150 kilograms). He suffered deep cuts, heavy blood loss and torn muscles when he was gored in the leg by

For the first time since the 1964 animated cartoon, "War and Pieces," Wile Covote and the Road Runner resume the chase in a brand-new Warner Brothers animated cartoon, "Chariots of Fur." The cartoon was directed by Chuck Jones, now 82, who first went to work for Warners in 1938. In the new film, the coyote resumes his endless effort to catch the Road Runner. Among other things he loads himself onto a buge metal spring, shoots himself from an equally huge bow and disguises himself as a cactus - and, as usual, all for naught.

"Sharon will not sit before a camera and wear the same piece of clothing (twice). She doesn't want someone to turn on 'Entertainment Tonight,' then turn the channel and see her wearing the exact thing on 'Larry King.' She doesn't want people to tire of her. She cares." Thus spoketh an aide to Sharon Stone, explaining to US magazine why Miss Stone changes clothes between every one of nearly 50 media interviews scheduled for a single day.

International Herald Tribune

TRAVEL UPDATE

Strike in Athens Disrupts Air Traffic

ATHENS (AP) — A strike by civil aviation service employees delayed dozens of local and international flights on Friday, affecting thousands of people hoping to travel for the Christmas weekend. One flight had to be diverted from Athens to northern

A two-day strike began at midnight on Thursday. Another was to begin next Thursday to protest a government plan to allow 45 percent of a major new Athens airport to be privately owned. Aviation service employees are civil servants.

The police arrested a union member on charges of endangering the safety of a flight. He was on duty before dawn, when the airport's runway lights were turned off, forcing an approaching charter flight to land instead in Salonika in northern Greece, stranding 230 British tourists.

Belgian truck drivers blocked highways on the Luxembourg border in southern Belgium on Friday in the second day of protests about a new road tax. The truckers did not block main roads to France, as threatened, Belgian radio said.

Strong winds lashed northeastern Italy on Friday, downing trees and causing injuries. Harsh weather also disrupted holiday travel elsewhere in the nation.

Hong Kong residents living near Kai Tak International Airport are up in arms over a government proposal to add 224 early-morning and late-evening flights per week. The one-runway airport is sandwiched between densely populated residential areas

In North Dakota Court, Teasing

The Associated Press NORTHWOOD, North Dakota - As a parent, Arlo Svedberg said he had no choice. He had

to take legal action against the teenager who called his son "Dumbo." "I love this boy, and I'll do anything to help him," Mr. Svedberg said Thursday. "There's nothing more important to me. He's my whole

The state Supreme Court this week upheld an order prohibiting Anthony Stamness, 17, from taunting 14-year-old Chris Svedberg.

The younger boy had been nicknamed "Dumbo" for his oversized ears and humiliated by three large-eared snowmen built to mock him. his family asserted in court.

Rather than let the teenagers work out their differences, the parents got involved.

Mr. Svedberg, advertising sales manager and columnist for The Gleaner, a weekly newspaper, complained repeatedly in his column that his son was being bullied at school. Before long, Char-lene Stamness helped her son build a jug-eared snowman on the front lawn.

Mrs. Stamness would not comment on the court decision Thursday and said her son was out of town. The family's lawyer said that the case raised several First Amendment issues and that an appeal was being considered.

Travis Enger, 14, said it was not fair to single out Anthony Stamness. He said Anthony "never hurt anyone in his life."

Coast Guard Keeps QE2 in Port

NEW YORK --- The U.S. Coast Guard has

barred the luxury liner QE2 from leaving New York for a Caribbean cruise after inspectors found numerous fire and safety violations aboard the ship, a Coast Guard spokesman said Friday. Coast Guard inspectors demanded repairs

to close holes in fire walls, fix inoperable fire doors, remove obstructions from passageways and correct other safety violations, said Petty Officer Kevin Miller.

The liner steamed into New York on Thursday amid reports of passengers trate over its unfinished \$45 million renovation. It had been scheduled to sail later in the day on

a 15-day trip to the Caribbean. But it was still sitting at the dock on Friday, its departure delayed to make the repairs ordered by the Coast Guard.

Friday's repairs, however, were too late to calm passengers on the Atlantic crossing.

Les Sandcastle spent eight hours waiting for his room aboard the QE2. Once inside, there was no water — except for the stuff leaking onto his head as he tried to sleep.

Christine Hall won a cruise on the QE2 as a prize from an opera company. Her toilet did not flush for two days. When it did, it also spewed brown water and guck over a dress.

(Reuters, AP)

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WASHINGTON - Democrats have demanded an independent inquiry into reports that Representative Newt Gingrich, the Georgia Republican about to become House speaker, has signed a 54 million book contract with the conglomerate that is waging a regulatory battle in behalf of the Fox television petwork.

the Fox television network.

Representative David E. Bonior of Michigan, who will be the Democratic whip in the new Congress, suggested that Mr. Gingrich's contract was "a S4 million Christmas gift" from Mandoch Mr. Murdoch's empire the media baron Rupert Murdoch. Mr. Murdoch's empire includes Fox and HarperCollins, the publisher that has signed Mr. Gingrich.

"We need to lift this cloud over his head." Mr. Bonior said, as if to taunt Mr. Gingrich, "if in fact it can be lifted." Mr. Gingrich's spokesman, Tony Blankley, said the book contract toed the line on author's royalties in the ethics

[Mr. Murdoch, on business in Beijing, said he knew noth-

ing about it. The Associated Press reported.

The Democratic attack, which began at the White House, did not explicitly charge that the book deal was influence peddling or bribery. But it left that impression, and its bluntness recalled the many attacks on Democratic ethics that Mr. Gingrich mounted in the 1980s, especially one that led to the resignation of Jim Wright of Texas, when he was (Michael Wines, NYT)

Mrs. Clinton Plays Big Role in Tax Debate

WASHINGTON - Hillary Rodham Clinton, brushing aside objections from top administration economic advisers, was a decisive voice in giving middle-class tax relief priority on the White House agenda, senior administration sources

Mrs. Clinton's role in the tax cut debate shows that she remains deeply involved in substantive policy-making despite suggestions that she would keep a lower profile after the collapse of the health care plan and the Republican election

National Cancer Institute Chief to Resign

WASHINGTON - Dr. Samuel Broder, the head of the National Cancer Institute, who was among the first government scientists to work on treating AIDS, said Thursday that he would resign in April.

Dr. Broder led a laboratory team that discovered the therapeutic effects of the anti-AIDS drug AZT in 1985. He will join the IVAX Corp., one of the nation's largest generic drug producers and a leading manufacturer of intravenous drug delivery devices.

In the last year, the National Cancer Institute has been rocked by the discovery that researchers submitted fraudulent data in a large breast cancer trial called the National Surgical Adjuvant Breast and Bowel Project.

The institute later concluded that the falsifications had not affected the overall outcome of the study. But Dr. Broder has accepted some blame for not acting more quickly. (N)T)

Christmas Reading at the White House

WASHINGTON - Santa provided the cheer and President Bill Clinton contributed the Christmas stories on Thursday at a White House party for scores of children.

More than 100 children sat and sprawled on the floor of the State Dining Room as the president got comfortable on a bench and read aloud from "A Visit From St. Nicholas or The Night Before Christmas."

Mr. Clinton read the words: "He had a broad face and a Little round belly that shook when he laughed like a bowl full

Then he paused and pointed and the kids shouted the missing word: "JELLY."

Quote/Unquote

Tony Blankley, Representative Newt Gingrich's spokesman, replying to a complaint by Representative David Bonior of Michigan about Mr. Gingrich's \$4 million book contract: "As Mr. Bonior develops his career as an attack dog for the minority party, he should arm himself with facts rather than fluffery. To infer improprieties where there are none is

Away From Politics

 The proportion of American adults who smoke cigarettes dropped to 25 percent in 1993, the lowest figure since the government began taking regular surveys in 1965, the Health and Human Services Department's Office on Smoking and Health said. Seventy percent of adults who smoke said they

 An allegation that state police stop cars on the New Jersey Turnpike and search for drugs based on racial profiles has been made by the Gloucester County public defender's office. The assertion, denied by the police, is the subject of a hearing in the case of 19 men and women, all black or Hispanic, who were stopped and arrested in 1988-91.

• A Titan 4 rocket blasted off from Cape Canaveral, Florida, and orbited a \$200 million missile-warning satellite for the U.S. Defense Department. • Five teenagers have been arrested on charges they set fire to

a San Jose, California, elementary school with a lighter, causing \$2 million in damage and injuring two fire fighters. The school was closed for the Christmas holidays when the fire destroyed six classrooms and damaged five others. (AP) • A fire that gutted a two-story Philadelphia row house, killing six children ranging in age from 2 to 15, has been described by the authorities as suspicious. The mother of four of the victims and her 6-month-old child escaped the blaze. The other two victims lived next door.

Police Say Subway Bomb **Was Part of Extortion Plan**

By John Kifner

New York Times Service NEW YORK - The unemployed computer expert accused of making the firebomb that exploded on a subway train Wednesday was plotting to set off a series of firebombs in a bizarre extortion scheme to hold New York City's subways and their riders ransom, police

officials say. The critically burned suspect, Edward J. Leary, 49, was arrested in the hospital an hour after officers searching his house in Scotch Plains, New Jersey, found a half-dozen pages of an-gry handwritten notes referring

to the extortion plan.

They also discovered bombmaking instructions as well as glass jars, nine-volt batteries and kitchen timers identical to these police believe were used to build the firebomb.

There were passages that describe placing bombs on the subway and then contacting the authorities and the press with demands," said one official, who, like others involved in the

case, spoke only on the condi-tion of anonymity. Officials believe the bomb

that exploded on the southbound No. 4 train in Lower Manhattan on Wednesday afternoon, wounding more than 40 people, was actually Mr. Leary's second bomb. Less than a week carlier a similar device caused a fire on a subway train passing through Harlem. Officials say he was appar-

ently on his way to plant the second firebomb when it ignited accidentally.

DEATH NOTICE

M. Emile LAGASSE, M. Maurice LAGASSE, and their children, regret to announce the accidental death of their brother/unde

M. EDOUARD LAGASSE on the 13th December 1994. The funeral took place

on the 19th December at Jouans-Pontchartrain and was attended by family and relations.

Republicans Plan Repeal of '73 Limit on War Powers

By Paul F. Horvitz

laternational Herald Tribune
WASHINGTON — In a move to enhance presidential flexibility in for-eign affairs, the new Republican majority in Congress plans to act quickly to repeal the Vietnam-era War Powers

The measure, passed by a Demo-cratic Congress in 1973 over President Richard M. Nixon's veto, limits the president's power to commit armed forces to hostilities abroad without congressional approval.

According to Republican Party and help keep Congress from undermining a president's emergency actions, provide President Bill Clinton with tangible Republican support in foreign affairs and strengthen the hand of the next Republican president.

Discussions are under way in both the Senate and the House on repeal legislation, according to officials.

The White House has publicly sup-

aides indicated in separate interviews They must be withdrawn in 60 days that the legislation would likely be unless Congress approves an extendanched by the new Senate majority sion.

The delete and the legislation would likely be unless Congress approves an extendanched by the new Senate majority sion.

The delete and the legislation would likely be unless Congress approves an extendanched by the new Senate majority sion. leader, Bob Dole of Kansas.

Senator Dole's name will be at the the power to declare war.

Although no president has recognized the measure as constitutionally valid, the War Powers Resolution has prominently figured in the political calculations and debate surrounding According to Republican Party and calculations and decoale surrounding congressional sources, repeal would such ventures as the Guif War, the bein keep Congress from undermining humanitarian mission to Somalia, the said. "It would say, We've come out of dispatch of Marines to Lebanon and the invasion of Grenada.

Under the act, a president must report to Congress within 48 hours of ported amending the War Powers Res- sending U.S. troops into hostile action,

olution, but two Senate Republican in the absence of a declaration of war.

"I am confident in predicting," one because the U.S. Constitution names war powers legislation when he Senate aide said, "that it's going to be the president as commander in chief of worked as a counsel in the White introduced on the first day and that the armed forces but gives Congress House under President Ronald Rea-

Congressional supporters of repeal call the resolution a "nuisance" and a "relic." They point out that Congress and that will be good for the resolution. will retain its power to cut off funds for any foreign military involvement.

"It would say an awful lot to repeal

that Vietnam eral

More recently, the Clinton White House largely ignored demands from lawmakers that it seek congressional approval before sending a force to Haiti.

With an Aristol, a former vice pleasing but Democratic initiatives languished can think tank, strongly favors repeal in the last two years. It seems that a repeal measure would find significant manife," he said, "for Republican manife," he said, "for Republican benceratic support, even though leaders in the Congress to say, Even constitution of the procession of the said and states approved before sending a force to manife, but Democratic initiatives languished in the last two years. It seems that a repeal measure would find significant Democratic support, even though leaders in the Congress to say, Even constitution of the consti though we now have a Democratic quire the president to consult with key president, we've always said that the members of Congress before dispatch-War Powers Act was a bad idea."

The debate over war powers arises came to understand the burden of the

and that will be good for the country,"
Mr. Cox said. "Every time we have gotten into a serious military conflict, the War Powers Act has gotten in the way."

Momentum for changing the mea-William Kristol, a former vice presi- sure has been building for some time,

The White House clearly wants to change the law. Mr. Clinton's national security adviser, W. Anthony Lake, called in a speech earlier this year for unspecified amendments to it.

Too often, he said, Congress loudly cautions on costs and casualties when troops go into action, undermining policy at at time when the unflinching use of force is called for.

Senator Jesse Helms of North Carolina, the next chairman of the Senate Foreign Relations Committee, has long opposed the resolution and was among the few senators to vote against it originally.

Senator Dole voted for the resolution in 1973, but he now believes, along with some Democrats, that it is

A spokesman for Representative Benjamin A. Gilman of New York, the new House Foreign Affairs Committee chairman, said that "very preliminary chats" on the subject or repeal had taken place.

Roller-Coaster Ride Is Over for a Clinton Symbol of Change

By Ann Devroy

Washington Post Service
WASHINGTON — When Bill Clinton's agenda for the struggles once there. tinuous Clinton campaign and

her final briefing at the White cost was high."

House Thursday, Ms. Myers,

get that once in your life, to ride that the president needed what it from rock bottom to tip-top, a one official called "a more sotransform Washington.

Now Ms. Myers has ended what little was left of that never have that it is never have the never ha dream. In an interview before very grateful that I did. But the

She lost her job when to be faced with a dizzying array of young, hip, shoot from the lip" issues, handed misinformation who was the first woman and "young hip, shoot from the lip" issues, handed misinformation the youngest White House press became a Clinton liability, not a and disinformation by highershe stepped to the White House secretary when she took the job symbol of change. Ms. Myers podium two years ago, Dee Dee at 31, recalled the euphoria of brushes aside questions about symbol of change. Ms. Myers Myers was the visible symbol of winning the White House and her final six months, but others in the administration said the change. Ms. Myers — young, hip, female and intensely politiand so many dreams when we cal — and a band of young outsiders would help run a conoutsiders would help run a conwill ever be like that again. You

in the administration said the first lady, Hillary Rodham Clinton, and the White House came in," she said, "nothing chief of staff, Leon E. Panetta, will ever be like that again. You

> more Washington experience." Outside the inner circle,

ups, she foundered.

pending departure of a few other senior aides will leave in place only a handful of the top dozen men and women who ar-rived with the Clintons.

Of Ms. Myers' campaign companions, only George Ste-phanopoulos and Mark Gearan ber, settled and presidentialremain in senior posts. Both have gone through a year in which they were subpoenaed by type spokesman, someone with a special counsel, called to tes- University graduate born in in 1992.

tify before congressional inves- Charleston, South Carolina, has Ms. Myers' departure and the gress out of Republican hands.

> **■** Successor Named The State Department spokesman, Michael McCurry,

> > Mr. Clinton's press secretary, a and went on to become press White House official said Fri-secretary and adviser in the day, The Associated Press reported from Washington.

> > tigators, saw the president's ap- been State Department spokesproval plummet to historic man since the beginning of the lows, and failed to keep Con- Clinton administration. He has long been a spokesman in Democratic politics.

> > He was a spokesman for Sen-ator Daniel Patrick Moynihan 40, will replace Ms. Myers as of New York in the early 1980s, Democratic presidential primary campaigns of Senator John Glenn in 1984, Bruce Babbitt in Mr. McCurry, a Princeton Glenn in 1984, Bruce Babbitt in University and Georgetown 1988 and Senator Bob Kerrey



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The Danger in Italy

Another Italian government collapsed on Thursday. Unless Italy's politicians are careful, public faith in the political system could collapse with it.

The danger is not, as departing Prime Minister Silvio Berlusconi would have the world believe, that a new government may be formed without new elections. The danger lies, instead, in continuing his efforts to impede a judicial investigation into corrupt ties between politics and business. That would only deepen a distrust of politics that has already reached disturbing levels, even for normally cynical Italians.

The spreading scandal has cast suspi-cion on much of the political establishment that ran the country for 45 years. For those politicians now to end the investigation would leave the innocent tainted along with the guilty.

In elections in March, voters rejected the scandal-stained Christian Democrats and Socialists and turned to Mr. Berlusconi, a billionaire businessman who many believed would be too rich to buy. His extensive exposure on three television networks controlled by his media conglomer-ate, Fininvest, made his rise seem irresistible. He has since betrayed the voters' trust. A Milan magistrate launched an investigation into his earlier role in pay-offs by Fininvest. Whatever his misdeeds when he was a media magnate, his effort to limit the corruption investigation as prime minister broke faith with Italians who wanted corruption cleaned up.

His coalition partner, the Northern League of Umberto Bossi, chose that moment to break with him. Rather than face a vote of no confidence in Parliament, Mr. Berlusconi resigned. It is up to President Oscar Luigi Scalfaro to decide whom to ask to form a new government,

or whether to call for new elections. By demanding elections now, Mr. Berlusconi seeks to outmaneuver his rivals. If elections are held, he hopes to repeat his March triumph - when he captured the anti-Communist vote that traditionally went to the Christian Democrats - and again form a government with the neofascist National Alliance. If he fails to get elections, he hopes to paint whatever government takes power as illegitimate.

In a partiamentary system, however, there is nothing undemocratic about forming a new government without holding elections. That is what Mr. Bossi and his allies, the centrist Popular Party and the Democratic Party of the Left, reform successor to the Communists, want to do. The reform Communists' potential presence in the government poses no threat. They, like the Northern League, have lived by demo-cratic principles in the municipalities where they held power; although touched by scandal, they support political reform. The real danger to Italian democracy

will come if the magistrates are not al-

lowed to proceed with their inquiry, and public disenchantment deepens. - THE NEW YORK TIMES.

This Time a Death

Again gunfire shatters the peace around the White House. This time it involves a homeless man, shot twice by a U.S. Park Police officer as he wielded a large knife at officers. This latest incident was unlike the shooting three days earlier, when 9mm bullets fired in the wee hours of the morning by an unknown gunman landed within yards of the presidential mansion and went through a firstfloor State Dining Room window. Tuesday's shooting also differs sharply from the assault weeks earlier by a Colorado man who blasted away at the White House with a semiautomatic weapon. This time someone died.

A widely seen videotape of the incident shows the victim, Marcelino Corniel, in a face-off with four law enforcement officers who have their handguns trained on him. According to the FBI and other witnesses, Mr. Corniel had chased U.S. Park Police Officer Stephen J. O'Neill from Lafayette Square to the sidewalk in front of the White House while brandishing a large knife. We still don't know why Mr. Corniel went after Officer O'Neill. Confronted by officers who had responded to Officer O'Neill's need for help, Mr.
Corniel — again according to the FBI —
"refused to drop the knife and refused to lie on the ground." Apparently for not following orders — and with dozens of tourists and pedestrians looking on -Marcelino Corniel was shot down. Park make under some pretty awful conditions. But a man is dead. And now officials must defend that decision to fire.

From the videotape, Mr. Corniel appears to be standing still before he is shot down. He obviously needed to be subdued. But, it is being asked, were there less violent means available for bring him under control, such as the use of stun guns, pepper spray or other nonlethal devices? At bottom, was deadly force justified? Park Police officials say that what the videotape fails to capture is the officer's fear for his life. Mr. Corniel had already demonstrated aggression and ig-nored police orders. He was only a few feet away. Suppose he had rushed the police or slashed innocent bystanders with his knife? Fair questions all. The metropolitan police department's homicide branch, which has jurisdiction over Mr. Corniel's death, is investigating. Although fellow officers are involved, the Metropolitan Police Department and the U.S. attorney who must review the results

must be objective, fair and honest.
Judging from Mr. Corniel's long police record in California, the police didn't have an angel on their hands. He was a felon who committed his brand of violence with knives. His body and hands were badly disfigured from burns sustained in a car fire, which may have accounted for the knife being taped to his hand. He was something of a fixture among the homeless population in Lafayette Square. His record and behavior tell a little something about him. But none of that makes his stances any less deserving of a full and thorough investigation.

- THE WASHINGTON POST.

Gingrich Out of Order

owned by Rupert Murdoch is a serious tactical and ethical mistake. It is certain to cast doubt on his political independence and his dedication to cleaning up congressional reform. It is up to the 73 Republican freshmen elected under Mr. Gingrich's promise of change to shake their leader from his protracted case of postelection hubris. Otherwise their crusade to end business as usual will - like Mr. Gingrich's tenure as speaker - be compromised before it starts.

Mr. Gingrich has a right under House ethics rules to write a legitimately financed book and make money from it. But he cannot expect to lead a campaign based in part on populist outrage at Washington sleaze and then take multimillion-dollar advances from individuals and businesses that have dealings with the government. Mr. Murdoch's News Corp., for example, owns both the Fox television network and HarperCollins, the speaker-designate's new publisher. Millions are riding on how federal regula-tors rule on NBC's challenge of News

Corp.'s right to own the Fox network. Mr. Gingrich is obliged to be sensitive to appearances and true to his history as a voice for congressional reform. After all, he brought down a Democratic speaker, Jim Wright, by noting that it was unethical to get 55 percent royalties on a pri-vately published book peddled in bulk

Representative Newt Gingrich is not even speaker yet, and already he is trying to cash in on the position. His reported \$4 million, two-book deal with a company but its ownership is vitally interest-The Gingrich deal was at least coned in government policy on, for example, broadcasting legislation. So Mr. Gingrich cannot dodge the question of whether he has been given an inflated advance designed to buy his cooperation.

There is one minimally acceptable way for him to write his books and avoid a cloud. He can forgo an advance and simply wait for the royalties to come in once the books are actually on sale.

There remains, of course, a question of propriety. Does he really want to be seen as using his high position to generate book sales? He would be smarter to take the path blazed by members of his own party, including former Presidents Nixon, Ford, Reagan and Bush. They waited until leaving office to write books for big advances. If Mr. Gingrich is determined to write

while speaker as a means of promoting his political ideas, he could follow the example of Barbara Bush, who gave the proceeds of a best-seller written during her husband's term to charity.

While we oppose much of Mr. Ging-rich's program, the New York Times editorial page has supported many of his plans for congressional reform and salmed his ethical pledges. But this deal reeks of the old-style Democratic greed. It is wrong as political strategy and wrong on principle. The Republicans in Congress will be foolish to tolerate it.

-THE NEW YORK TIMES.



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The West Helped Set The Fire

By A. M. Rosenthal

NEW YORK — By the winter of 1991-92, after months of intense consultation and negotiation, the combined diplomatic knowledge, analysis and foresight of the West, including a half-dozen European nations, the European Community, NATO and the United States, brought about several impor-tant results in the Balkans. They added up to one giant disaster.

These results helped create what is going on in Bosnia now. They also convinced the American public that the Serbs of Bosnia are foreign invaders, with no legal, political or cultural case for their own self-determination. The visit by Jimmy Carter is a critical time to examine four results of Western policy. He will certainly have to do that himself.

1. Civil war became inevitable in Bosnia-Herzegovina, which was never a nation but rather an administrative area in Yugoslavia, as it had been under the

Hapsburgs and Turks.
The West managed to make the war inevitable by premature recognition, under German pressure, of Croatia's breakaway from Yugoslavia, and then by pushing for the creation and recognition of an independent Bosnian state.

The West did so knowing that one-third of the Bosnian population, South Slavs known as Serbs, felt they were being denationalized in their own ancestral territory, abducted into a new state they did not trust and would fight to the death, their own but preferably their neighbors', to prevent it.

2. The West guaranteed that the war-ring parties in Bosnia would not be able to reach agreement. They did this by favoring the Muslims, other South Slavs who converted to Islam under Turkish rule four centuries ago. The Muslims, about 40 percent of Bosnia's people,



... and you bloody Americans are just not doing your share!'

would be the most important political and cultural influence in the new Bosnia. The Serbs, Orthodox Christians, feared that Islam would soon dominate. This was not a religions war but a civil war that grew out of different visions of life influenced by religion — something like Lebanon or Northern Ireland.

3. The West was willing to create a new Bosnia but not fight for it. Europeans sent some thousands of troops to watch. The United States turned white at the idea of putting ground troops into that mess — the one intelligent reaction in a Bush record of passivity and a Clintonian record of turnabout, bluff and pretense. one of the more embarrassing exhibitions

of American "diplomacy" in decades. Western favoritism toward the Muslims not only internationalized the war but covered up the Bosnian Serbs' historic case for self-determination.

If the Muslims had the right to secede from Yugoslavia, the Serbs had the right

to secode from the new Muslim-led na-tion they feared. They got military aid from Serbia. But since the Serbs of Bosnia and of Serbia saw themselves as part of the same nation being torn asunder by Muslims, Croats and foreigners, they refuse to see it as a crime.

Something of course, is missing from everything above: atrocity. The United Nations has reported horrors by Muslims and Croats. But evidence and testimony from the United Nations, from Western journalists and other witnesses is that Serbs have committed the preponderance of murder, rape, deportation, annihilation of villages.

That is why so many prominent Americans have made the Muslim cause passionately their own.

Visit Muslim Bosnia and understand. But to demand that the United States not only arm the Bosnian Muslims but bomb bomb bomb the Bosnian Serbs and Serbia is to insist that the war widen, that it go

on endlessly. It is to perpetuate horror. The West can reverse the Serbian vic-tory — if the United States sends hundreds of thousands of troops and then becomes the occupying power keeping the Serbs down as the Nazis did for four years.

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IIIRE: Politi

The question now is how much of the territory that Bosnian Serbs control they will give up, for how many factories, mines, connecting corridors etc.
Then, after Bosnia, will come the real test of war and peace in the Balkans: the struggles between the Serbian and Cro-

atian Slavs, both far more powerful than the Muslim Slavs. Anybody for U.S. carpet bombing then? The lessons are important. For nation-

alists: Independence goes only to those who can persuade minorities to agree, or defeat them in battle. For other nations: Do not throw the match unless you are willing to smother the flames with the bodies of your own troops.

The New York Times

Christmas Again: It Was Unusual, but Some Things Stay the Same watching the re-emergence of "little Skippy" Gates as we assembled for dinner with so many

By Henry Louis Gates Jr.

CAMBRIDGE, Massachusetts — The Christmas season, that perilous time between Thanksgiving indigestion and midnight Mass on Christmas Eve, is an emotional gauntlet for me. It's a month of almost irresistible appeal for "essential" items that I can't afford and could easily have done without - followed by the sticker shock of credit card statements after New Year's. Besides, I find relentless holiday

cheer inexpressibly depressing. It wasn't always so. Last year, determined to recap ture the warm glow of childhood memories, I decided to spend Christmas back home in Piedmont, the West Virginia village in the Allegheny Mountains where I

spent my first 18 Christmases. It was a hard sell with my two years old. No manual for parenting ever prepares you for the battle of wills when you try to persuade adolescents to spend a vacation away from their friends. Reason soon fails, leaving only the recourse of the desperate: "Because I say so, that's why."

One of the cruelest features of parenthood is the gradual dis-covery that your children have lives - their own lives. "Going back to Piedmont is like traveling in a time machine," Liza, the younger child, remarked tartly. "A time machine to nowhere." The cruelty of youth!

Walking with my wife, Sharon Adams, and daughters down the main drag, Ashfield Street, which resembles those frontier sets you see in bad Westerns, I sorted through my abundant reserves of nostalgia to find my happiest

Christmas memory. As we passed what used to be the five-and-10cent store -it's now a warehouse I remembered Christmas 1956, when I was 6 years old. That year, my father invited me to "ring the bell" for the Salva-

tion Army sidewalk appeal, installed between the two double doors of the five-and-dime. Although it meant standing in the snow, half-frozen, I enjoyed myself — more because my father than because shoppers were tossing money into the red kettle.

I was guiping my umpteenth cup of cocoa when an old black man walked by. His name was Mr. Smoke Clagett. "Evenin', Mr. Smoke," my father said. "How's it going today?" White man still in the lead,"

Mr. Smoke mumbled as he tossed a quarter into the kettle, then shuffled off through the snow. "What's that mean, Daddy?" I blurted. My father laughed.
"He always says that," he re-plied. "I'll explain later."

I don't know that he ever did.

He must have realized I was bound to figure it out on my own one day. We had other things on our mind just then. Back home, while I was still

shivering and about drowned in all that hot chocolate, my parents consoled me by letting me and my older brother open one present early. We picked a big box, ripped open the wrapping paper to find a record player and a package of 45s that came with it. My brother sang "The Great Pretender" along with the Platters, his arms spread wide and his eyes closed. I tried to puzzle out what kind of thrill Fats Domino had found up on Blueberry Hill.

But the big event of Christmas Eve was always the "Amos 'n' sode, "Andy Plays Santa Claus." We watched it on a 12-inch set. which seemed mammoth in those days. The episode opens with the miserly Kingfish visiting friends' homes, pulling out a Christmas card, reading it out loud, then leaving. "I just bought one," he explains, proud of his thrift, "and I

goin' around readin' it." But what really captivated me was that in the all-black world of Amos 'n' Andy's Harlem, there was an all-black department store, owned and operated by black attendants for a black clientele, whose children could sit on

the lap of a black Santa Claus even if that Santa was a red-robed and white-bearded Andy -that's Andrew H. Brown to you.

Andy had taken the job late on

Christmas Eve just so he could buy a present for Amos's daughter, Arbadella — an expensive talking doll, which Amos "just couldn't afford this year." And then I saw it. As the camera panned across an easel and paint set - marked \$5.95 - and

perched high on the display shelf, was Arbadella's talking doll. She was wearing a starched, white fluffy dress, made all the

dollar that Piedmont's five-andten would stock no such item. That Arbadella was one lucky little girl. And Andy Brown was not

Last Christmas, in Piedmont, I found myself struggling against the gravitational force of family and time, feeling drawn into the

aunts, uncles and cousins that our children needed a scorecard to tell the players. Somehow childhood anxieties were easier to tap than childhood merriment. "Have you washed

your hands?" Uncle Harry asked me as we sat down, as if I were still 6. I realized that to him I would always be stuck in a time zone of ancient Christmases. Then I remembered our collection of "Amos 'n' Andy" video-tapes and decided to show it to

the girls. While the dishes drip-dried in the kitchen, I set up the VCR and told them to take off their CD headphones and discover that marvelous world of warmth and solidarity that makes the "Amos n' Andy" Christmas show

such a rare and poignant memory.

I found myself langhing so hard at Kingrish's manapropisms and Andy's gullibility that it took me a while to realize that I was laughing alone. They'll get it eventually, I thought. Just wait until they see Arbadella's doll and the scene when Amos tucks his daughter in bed and teaches her the Lord's Prayer while the kindhearted Andy sneaks the doll under the Christmas tree.

So how did these two postmodernists, reared on "A Very Brady Christmas," Kwanzaa fes-tivals, multicultural Barbies and a basement full of black dolls with names like Kenya and Kianja, respond to my desperate effort to drag them down my memory lane? "It was garbage," Liza pro-nounced, to my disbelief.

Maggie volunteered, "Fake, pathetic and stupid." Liza added: "No 8-year-old's gonna lay there while their father

recites them the Lord's Prayer. Yeah, Amos, cut the prayer stuff." Then Maggie demanded, "Why can't we watch 'Ernest Saves Christmas'?" — a 6-year-old movie for children about a goody white Florida cabdriver who

helps to find Santa's successor. My father, who had entered the room near the end of the program, listened quietly to this af-termath. "Looks like the white man's still in the lead," he said.

Henry Louis Gates Jr. is author, most recently, of "Colored People: A Memoir." He contributed this essay to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Scandal Epidemic

daler" in Paris have monopolised the attention of Europe. In America, all eyes are riveted upon a New Yorki municipal corruption that could not have been surpassed.

been evident that Paris is throwing off its war fetters and now the city is throwing itself whole heartedly into well-carned rejoicings, forgetting-at least for a time -its past

1944: Christmas Spirit WASHINGTON - President

Roosevelt in his nationwide broadcast on Christmas Eve said that the United States would commemorate Christmas Day in cause of its deep spiritual meaning. "The Christmas spirit," the President said, "lives tonight in the bitter cold of the front lines of Europe, in the heat of the junglet and the swamps of Burma and the Pacific Islands . . . We pray that with victory will come the new day of pages of anothin which all day of peace on earth, in which all nations of the earth will join together for all time. That is the

a \$14.95 perambulator set, there in the heart of Santa Claus Land,

brighter by contrast with the doll baby's gleaming black skin. A black doll! The first I'd ever seen. How fortunate those people in Harlem are, I thought. Not only do they have their own department stores. Those department stores sell black dolls! My cousins had a zillion dolls, but none of them black, brown or even yellow. You could bet your bottom

as dumb as he looked.

same old family roles, helplessly

munist humanity so altruistic and

spontaneously cooperative that

the state itself would fade away.

can be turned into something fun-

damentally different from what

The opinion you have of hu-man moral possibility is very im-

portant to how you think about

political society and action. That

opinion, in turn, is linked to what you think about the nature of cre-

ation, its intelligibility and the pur-

pose of existence. With that we

return to Christmas, which says that there is a God and there is a

purpose to existence. I wish my

he has been in the past.

Both doctrines held that man

Of Moral Possibility and Fragile Accomplishments By William Pfaff sentimental view of a new Com-

PARIS — The millions who celebrate Christmas are in fact, if not consciousness, making a radical affirmation about humanity's history. They are acknowledging not only the exis-tence of a deity, the creator of the universe, but the proposition that this deity has directly intervened in the course of human events by himself becoming a man.

That, after all, is what it all means. If it doesn't mean that, Christmas celebrations are point-

It is useful on certain occasions to pose the begged questions and examine the usually unanalyzed assumptions of daily life.

able and sentimental occasion for pleasing children and expressing goodwill toward others. The latter is not, of course, to be despised. Better good will than bad. But the question of the deity has concerned men from the beginning. The issue is both existential and moral. Why does the universe exist? Is its existence wholly accidental, random in development, or was it intelligently created, and if so for what purpose, if any? Is there a purpose to existence, other than the purposes men and women have invented

less, other than as some agree-

for themselves? I myself find it impossible to believe in the random or spontaneous creation or existence of the universe in all of its small and large complexity and harmonies. I realize, however, that the notion of the creating intelligence

—of God —is nearly as difficult to believe, and to believe in a deity's intervention in human affairs harder yet. However, these are propositions with a coherence which I do not find in the belief in an unintelligent and spontaneous creation from nothing. To say this obviously is to

touch superficially upon matters of profound preoccupation for nans since human consciousness began. Nonetheless, as we take existence for granted for most of our lives, it is useful on certain occasions to pose the begged questions and examine the usually unanalyzed assumptions of daily life.

It is worth doing even though these questions are empirically unresolvable. Practical consequences follow from the assumptions upon which we and our political societies act, and the examination of those assumptions is an examination of where we stand with respect to political possibility.

In a book on nationalism, published a year ago, I remarked that I believed in the moral constancy and continuity of man through the millennia, saying that it seemed to me presumptuous and absurd to think that we, today, are the moral superiors of the artists who created the Magdalenian cave drawings of Europe, or the hunters and gatherers of prehistoric North America, or the tragedians of classical Athens or architects of Persepolis.

We obviously live in a much more complex and in some respects more sophisticated society than they, with an immensely greater knowledge of the physical universe and technical command over it. But this does not make us the moral betters of those people. One of the critics of my book,

Liah Greenfeld of Boston University, objected to this argument by saying it implied that "social and political systems must be treated as morally equivalent, and that we have no right to pass judgment on systems different from our own. If the moral level of mankind is constant. "that means that no society can be considered, morally,

better or worse than another." This seems to me a great misunderstanding, confusing social and institutional progress with change in the moral nature of man. Of course, some societies are superior to others in the way they treat individuals, in their systems of justice and government

and in the values they defend. But that does not demonstrate that the individuals in them are better than the individuals in another society. It shows merely that they have been (provisional ly) more successful in creating institutions that reinforce what we believe is justice and inhibit evil. However, history demonstrates that these are always

fragile accomplishments.
If you believe that no intelligence is behind existence, and no purpose — that the universe is absolutely self-sufficient and autonomous - then it would seem that you must believe that morality progresses, or you despair. Thus modern history has seen the repeated formulation of doctrines or ideologies of human progress. Marxism was one such. In its terrible way, Nazism was another.

Nazism aimed, through human engineering and eugenics, to produce a "super" man, possessing unprecedented qualities of audacity, heroism and willingness for self-sacrifice in the collective interest of this superior race. This was rubbish, as was Marxism's readers a very happy Christmas. International Herald Tribune. C Los Angeles Times Syndicate.

PARIS - The Herald says in an editorial:] The epidemic of public scandals that has broken out in the two greatest Republics in existence - France and the United States - suggests the question whether this popular and democratic form of self-government is not after all a failure. The "scan-

1919: Paris Rejoices

PARIS - Visitors will have plenty to see in Paris to-day [Dec. 24], the first Christmas Eve to be kept with unrestrained gaiety after an interval of five years, during which period the once "Gay City" surprised the whole world by its sober restraint. Signs have long and present troubles.

the traditional American way bespirit of Christmas."

By Clyde Haberman New York Times Service

JERUSALEM — Israeli forces and guerrillas of the pro-Iranian Hezbollah exchanged artillery and rocket fire Friday in some of the heaviest fighting in southern Lebanon this year. Two Israeli soldiers and two Lebanese police officers were reportedly killed, and seven Israciis were wounded.

After years of relentless battles in southern Lebanon, where Israel controls a border strip that it calls its "security zone, the Israeli Army and its allied Lebanese militia have begun suffering significantly higher

In just the last two and a half weeks, six Israelis and eight militiamen were killed, and more than two dozen others were wounded. Before December, Israel had averaged one or two deaths a month this year in the buffer strip, which is designed to forestall attacks on Israeli towns along the only border where Israelis and Arabs still have an active battlefront

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Israeli experts say Shiite Muslim gunmen from Hezbol-lah, or Party of God, are showing new sophistication and skill in their attacks. Also, there are more Israeli soldiers patrolling the security zone now, making more of them front-line targets. News reports from Lebanon say Israel has had to strengthen its force there because of declin-



Israeli soldiers carrying a wounded comrade to safety Friday after fighting broke out in the southern Lebanon buffer zone.

militia that it pays and trains, the South Lebanon Army.

There's a war of attrition in southern Lebanon," said Environment Minister Yossi Sarid, a senior Israeli negotiator in peace talks with the Palestinians. He added: "We should take the initiative. The initiative should not be left in the hands

ing morale and desertions in the Army Joins Peace Talks John M. Goshko of The Washington Post reported earlier from

> The sporadic Israeli-Syrian peace talks here have been expanded to include military experts, partly because the Israeli government has concluded that hope for maintaining momen-

process, according to U.S. offi- more emphasis on a long-shot

The sources said that the govinvigorated negotiations with ries. Therefore, the sources add-military radio reported that Is-Damascus might offer the best ed, in order to maintain moral's chief of staff. General

tum in the Middle East peace the Israelis have decided to put adviser, General Danny Yatom, try at seeking a deal with Syria. in Washington on Thursday.

At Israel's behest, when Secernment of Prime Minister retary of State Warren M. Yitzhak Rabin fears that vio- Christopher visited Damascus lence in the West Bank and two weeks ago, he won Presi-Gaza Strip will delay indefinite- dent Hafez Assad's agreement ly progress toward Palestinian to add military officials to the self-rule in the occupied territomentum in the peace process, Ehud Barak, and Mr. Rabin's Middle East War.

The Depreciation of Silvio Berlusconi

March 27-28

Berluscon

Berluscon

met a Syrian military delegation

The addition of military officials could mean that the two sides are preparing to address the practical aspects of the central issue in a potential Israeli-Syrian peace accord: Israeli withdrawal from the Golan Heights, which the Jewish state captured from Syria in the 1967

Lire per Deutsche mark.

Aug. 12 Midsummer lira crisis as

Dec. 22

Berlusconi resigns

government feuds with anti-corruption judges

Chechnya Backfire Is Squeezing Yeltsin Into a Tight Corner

By Michael Specter
New York Times Service
MOSCOW — In less than

wo weeks. President Boris N. Yeltsin has turned a smoldering rebellion in a remote region of Russia into a conflagration that threatens to rip his weary country apart.

In the process, Russian politics has been convulsed more violently than at any time since the breakup of the Soviet Union Russian military com-

NEWS ANALYSIS

manders publicly ridicule their own president and refuse to carry out orders. Mr. Yeltsin's friends have become his bitter enemies, and his nationalistic detractors have provided the bedrock of his support.

Shadowy figures like Mr. Yeltsin's security chief, General Alexander Korzhakov, seem to be running the country, and public-opinion polls published Friday in the newspaper Izvestia showed little support for a war that appears to worsen every day.

Yet none of that seems to have shaken Mr. Yeltsin. Until two weeks ago, if the Russian people were ever united in anything it was in their antipathy toward Chechens. Now they are more likely to turn their anger on their leaders. On Friday, Yegor T. Gaidar, Mr. Yeltsin's former prime minister and perhaps Russia's most recognizable democrat, said the punishing assault on Grozny was transforming the nation into a police state. It is an increasingly common fear.

And Mr. Yeltsin - who sent 40,000 troops into the region 10 days ago but has never appeared in public to discuss it — has backed himself and his presidency into a corner from which he may never successfully emerge. If he stops the war and withdraws the troop,s he will have gained neither a resolution to the simmering crisis in Chechnya or the support of the Russian people. If he continues the assault, he may soon completely level a Russian city that his troops will then have to occupy and somehow govern.

It is clear that Chechen fighters — however desperate and poorly prepared — are willing to die for their freedom. Their leader, Dzhokar Dudayev, seems to delight in calling the wrath of the Kremlin upon his that nation's highest military people. But he is supported in leaders are either in open revolt cause he believes it should be an independent state.

Yeltsin to win, or for Mr. Du-dayev to lose. If Russian sol-

Continued from Page 1

ward the city. Grads, which are

People leaving the city said

had been virtually empty at

of the people on the streets of

Grozny appeared to be elderly Russian civilians who were too

poor to leave the city or had no

relatives nearby with whom

Russian forces had finally

sealed off Grozny. But there

was no independent confirma-

tion of this, and hundreds of

refugees continued to stream

The refugees were leaving in cars crammed with relatives and personal belongings. They

included Chechens as well as

ethnic Russians, all of whom

said Grozny had become a city

ing military sites, but they're hitting apartment buildings," said Zemsira Karakhoyeva, 56.

People are dying."

"They say they're only bomb-

The city is burning, he said.

"Planes are coming in one after

In the neighboring region of

Ingushetia, west of Chechnya, local officials were scrambling

to cope with refugees who have

few days. Porty-two women and children spent Thursday night in a kindergarten in Slept-

sovskaya, about 80 kilometers

west of Grozny. Local relief of-ficials said that 34 refugees were

living in one house in a nearby

■ Truce Call Widely Backed

N. Yeltsin for an end to the

An appeal to President Boris

poured out of Grozny in the last

out of the city to the west.

Moscow announced that

they could stay.

of horrors.

another.

village.

die. The city will then have to be run as a military duchy in Rus-sia. That may be a political price that even the increasingly authoritarian leadership here

cannot afford to pay.

"This country is on the verge
of dictatorship," the parliamentary defense committee chairman, Sergei Yushenkov, told the newspaper Literaturnaya Gazeta on Friday. "I am afraid Yeltsin is not in command now. I am not even sure who is." Like many other critics of the

intervention in Chechnya, Mr. Yushenkov said Friday that he had come to the conclusion that the main reason for invading to disarm groups of armed bandits in the region - was a hoax. "There are no armed gangs in

Chechnya," he said, although even most critics of the war disagree. "Just people driven to take up arms for their freedom. What the Russian government has done there is a lie." It is not unusual for govern-

ments to lie in wartime, but Russian propaganda has reached a level unseen since the beight of the Cold War. As Russian warplanes carried out relentless bombing raids on civilian targets in the Chechen capital on Friday, Prime Minis-ter Viktor S. Chernomyrdin said at a press conference in New Delhi that only military targets had been attacked.

And despite Moscow's desperate efforts to jam news satelitte transmissions from the region, the truth - that bombs are dropping nearly every 20 minutes on residents of Grozny - has been made clear to the Russian public with increasing tenacity. The headlines of the major newspapers Friday spoke of the bombing of innocent civilians, and interviews with Russian soldiers made it clear that this a war that nobody seems to love.

Yet there are bandits in Chechnya. And if Mr. Yeltsin accedes to the clamor for an independence, he will look weak, he will have not accomplished his goal of disarming thieves who live unhindered by the laws of Russia, and he will risk having to face similar battles in other regions in the fu-

There were reports Friday, later retracted, that the defense minister, General Pavel S. Grachev, had resigned. But there are reports almost every day or ready to quit.

Russia today has become a country where a leading mili-That kind of certainty makes tary figure — General Alexanit almost impossible for Mr. der Lebed — could say as he did in an interview this week that he would be glad to take his troops diers storm Grozny they will to the front, just as long as they certainly take the city, but just included the children of the as certainly many of them will president or the prime minister.

to 38, to back a call for a mora-

torium on military actions and

to hold peace talks. There were

three abstentions. The motion

was nonbinding, and efforts to

call a no-confidence motion

Smiryagin, said that Mr. Yelt-

sin might address the nation

Saturday on a political solution

In Washington, the State De-

partment expressed its growing

concern for the fate of civilians.

A department statement in-

cluded a public reminder that

Mr. Yeltsin had pledged to

The French government also

voiced concern following the

death of an American photog-

rapher, Cynthia Elbaum, in

spokesman said: "We are con-cerned and have impressed

upon them the need for a solu-

tion to be arranged as soon as

possible which prevents further

bloodshed and allows the peo-

ple of the region the full exer-

cise of their human rights."

In London, a Foreign Office

avoid harming civilians.

Grozny on Thursday.

A presidential aide, Leonid

against Mr. Yeltsin failed.

to the conflict.

CHECHNYA: Grozny Is Pounded

FUTURE: Political Crisis Threatens Italy's Economy

Continued from Page 1

about \$22 billion to the cost of financing a national debt of some \$1.2 trillion.

A lack of political leadership and action on the economic front could further weaken the lira, which would result in higher inflation, not least because of Italy's heavy dependence on imported energy priced in dollars. Interest rates might be forced higher still, placing a greater burden on the cost of financing government debt and inhibiting both company and consumer borrowing. Domestic as well as foreign direct investment could be slowed, as the political uncertainty would crode business confidence.

Most economists, meanwhile, believe that Mr. Berlusconi's raucous coalition failed to fulfill its promises on the economic front, and even damaged the country's economic standing.

Despite valiant efforts at fiscal discipline by Lamberto Dini, the central banker turned treasury minister, Mr. Berlusconi is widely seen to have botched the handling of urgently needed pension and social security reforms. He agreed to water down pension cuts after a one-day general strike in November.

He also failed to achieve convincing deficit reductions, largely because he was a prisoner of an electoral promise that there would be no new taxes. Another of Mr. Berlusconi's campaign pledges was that he would create a million new jobs; on Friday the latest figures from ISTAT. the national statistics office, showed that Italy's unemployment rate jumped to 12.1 percent in October, compared with 11 percent in July of this year.

Ironically - given Mr. Berlusconi's self-styled approach as an entrepreneur who could offer solid management of the Italian economy — the current view in financial markets is that the Berlusconi government's collapse is good news, even though the political turmoil is not.

The proof of this is in the numbers -- the Milan bourse's main index has risen by 4 percent since Monday, when it became clear that the government would collapse this week. And the reform before a poll is held.

lira has strengthened since Mr. Berlusconi resigned on Thursday — from 1.043.5 to one Deutsche mark to 1,039.8.

Ernesto Paollilo, president of the Milan foreign exchange market, told Agence France-Presse on Friday that the market reaction to Mr. Berlusconi's resignation had been positive. He added that financial markets did not like the idea of Mr. Berlusconi's being asked to form a new government "because it would only revive tension."

For his part, a combative Mr. Berlusconi on Friday blamed the plunge of the lira and the stock exchange during his seven-month administration on "the malevolent media" and on political instability caused by both the opposition and by Umberto Bossi, his erstwhile coalition partner of the Northern League.

While Mr. Fazio, the International Monetary Fund and the Organization for Economic Coop-eration and Development have each called for a supplementary budget to tackle the deficit, Mr. Berluscom cla ed unat his defici get was one of "absolute rigor."

And although admitting that only "a miracle" could enable Italy to meet the criteria needed to join a single currency under Europe's Maastricht treaty, Mr. Berlusconi argued rather improbably on Friday that Italy's European partners should agree that economic convergence is no longer necessary for monetary union. In fact, the present state of affairs in Rome.

and the likelihood of continued uncertainty. places Italy in an increasingly irrelevant position inside the European Union, as a politically paralyzed and economically disorganized member On Friday, President Oscar Luigi Scalfaro

began the ritual round of consultations to see if a new government could be formed. Although elections may eventually be inevitable. Mr. Scalfaro and many others say they feel that what is most urgently needed is a temporary government that can at least offer some economic rigor and perhaps even complete the process of electoral

SCALFARO: He Resists Elections Without Reform

1000

1020

in coming days. He did not lished. They also want emergenname the company, but Starida cy deficit-cutting measures.

SpA, an Italian retailer con
Mr. Berlusconi's Forza Italian trolled by Fininvest, said Friday that it would seek a buyer Alliance want immediate elecfor its seven Euromercato hypermarkets.

Mr. Maroni, who met Mr. Scalfaro on Thursday night, leads a moderate faction in the federalist Northern League that opposes the decision of the party's leader, Umberto Bossi, to break with Mr. Berlusconi, but it is also against quick elections.

Italy's main political parties are now sharply divided on whether to hold snap elections or seek a new coalition govern-

Mr. Bossi and most of his Northern League, together with the opposition Democratic Party of the Left (the former Com-

munists) and the centrist Popu- consultations on Friday by retail conglomerate. He said lar Party, say that before meeting his two surviving pre-that "a very important compa-ny of the group" could be sold voting system should be estab-

Mr. Berlusconi's Forza Italia and the Neo-Fascist National start talks with speakers of both tions. Italians voted last March un-

der a new first-past-the-post system, which left a quarter of the 945 seats in the two houses of Parliament distributed by proportional representation.

Most political groups agree the hybrid system did not produce the clear result they hoped for and needs refining.

Mario Segni, a centrist and architect of the referendum that led to the electoral reform, said to vote under the same system again "would mean four months of paralysis and a year

of chaos. Mr. Scalfaro began formal

The result has been growing

Sabir Lahham, a toy vendor.

cause people had no money.

"Taking over health and tour-

Cossiga, 66. Mr. Scalfaro's soundings will

resume Tuesday, when he will houses of Parliament and party leaders. Most Italians would like a

new, nonpartisan prime minister to head a government that would lead the country out of crisis and then to elections, according to an opinion poll by the Directa research institute published on Friday.

The poll said 72.8 percent of Italians who expressed an opinmultiple rocket launchers toion in the survey favored a "new government with a new prime not particularly accurate, are minister who is above party regarded as a weapon of terror politics and has the support of in urban warfare. different parties in Parliament to carry out a number of re- that the main central market forms and then vote." (Reuters, AP, Bloomberg, AFP) midday. They said that besides armed Chechen fighters, most

PARIS — A Portuguese family driving home from Switzerland for Christmas covering she was missing about 500 kilometers down

police officers and sending tourists scurrying for cover.

When the Israelis leave,"

Portuguese Family Forgets Something

left their daughter at a highway service station in southern France, only disthe road, the police said The 14-year-old girl

alerted police officers, who the Spanish border.

stopped her parents' car at

Sultan Rushayev, 41, was said Bethlehem's deputy mayor, bringing his 69-year-old father Two Muslim Militants "there will be a really festive out of the city Friday morning along with four of his sisters and a 2-year-old nephew.

Egyptian Police Kill

ASYUT, Egypt — Police killed two Muslim militants at dawn Friday near Al Badari, security sources said.

They said the police, acting on a tip, exchanged fire with the mmen at a cemetery outside Nowawarah, 330 kilometers (205 miles) south of Cairo.

ESCADA

in Paris

SALES ON WINTER COLLECTION

Marie-Martine 8, rue de Sèvres,

Continued from Page 1

worse, Mr. Zedillo appears to strenuously for a devaluation, have shattered the investor confidence that was crucial to the nior officials.

country's economic boom. To many, the amended Mexiabout what can go wrong when hopeful foreigners with money join the innovative but un-steady managers of what has always been a complex, unwieldy developing country first and an "emerging market" sec-

It may also be about former President Carlos Salinas de Gortari's strategy of postponing a democratic opening of the political system until often-unpopular economic reforms were concluded. After a year that has seen a peasant revolt, two political as-

sassinations and a tumultuous election campaign, many Mexicans say economic stability might have been better preserved by more aggressive democratic change. They put things off and put things off and put things off,

Juan Molinar Horcasitas, a senior official of the federal elections board, said of Mr. Salinas's determination to postpone many political changes until after the economy had largely been overhauled "And so they explode."

The notion that the peso was overvalued against the dollar is hardly new. Economists who warmly praised the restructuring carried out by Mr. Salinas have warned for at least three years that Mexico's trade imbalance would force a peso de-

During the course of this valuation. year, two officials said, some Mexico's new wealth.

government economists argued

Senior officials were said to have feared a backlash first co story is a cautionary tale. It is against the governing party by impoverished voters in the presidential election, followed by a stain on the legacy of Mr. Salinas, a candidate to lead the new World Trade Organization. The peso had a central place

in the economic strategy of Pedro Aspe Armella, Mr. Salmas's finance secretary. For the six years of the ad-

ministration that concluded Dec. 1, a stable currency fixed the confidence of foreigners who poured tens of billions of dollars into Mexico. Most of it went into relatively liquid assets like stocks and

bonds. Yet while exports and domestic savings could not sustain the country's growth, foreign money financed most of the gaping deficit that the government ran to service its huge foreign debt and to supply the imports demanded by wealthy consumers and expanding in-

dustries In what became a crusade to lower inflation to a level that would make Mexico's exports competitive with those of its trading partners, Mr. Aspe slashed the budget deficit, improved tax collection and raised interest rates.

Selling off its banks, sugar mills and telephone company, the government had enough money left over to finance a \$12 hillion anti-poverty program that helped compensate for the fact that the rich reaped most of

MEXICO: Success Story Darkens CHRISTMAS: A Season of Low Spirits in Bethlehem trol over their lives, even though made tighter still to prevent vio-

ity, after a transfer of five gov- the Palestinian Authority has lent reprisals after a Jewish set-

erament departments by the Is- taken over critical tasks such as ther killed 29 Muslims in Hethe West Bank.

adorned with a picture of elaborate security operation more than 50 percent in Bethle-Yasser Arafat. But the office that Israel says is needed to pre-hem. mated by Mr. Freij at more vocative and unnecessary. than a million visitors this year.

Religious and archaeological sites in the West Bank outside sell clothes and other goods to he said as men crowded into a Jericho are still in the hands of the military government. Build-cause of Israeli restrictions that "A real change would be opening permits for new hotels are keep tens of thousands of Pales- ing the way to Israel, so laborers still issued by the Israelis, and tinians from reaching menial can go to work." the Palestinians have no au- jobs in Israel.

Continued from Page 1

"At the end of the year you

might think this is a modest gift

but nevertheless it is something

for the people who have suf-

fered for so long," said Yasushi

Akashi, special representative of Secretary-General Butros

"We'll use this period for

preparation and they'll do the

same," said Ejup Ganic, vice

president of the mostly Muslim

Bosnian government. "Who

Bosnian Serb leaders were

knows if peace will come?"

much more cotimistic.

Butros Ghali here.

fires that have led to more death

and misery.

raeli military administration in taxation and health services. The Israeli Army and police Two Palestinian flags hang forces are reinforced in and West Bank unemployment, over the bureau entrance, also around the town, part of an which Mr. Freij estimates at

has little real control over tour- vent attacks by militants. But ist traffic to Bethlehem, esti- residents call the measures pro- said holiday sales were poor be-At makeshift stands in the marketplace, unemployed men ism hasn't had an effect on us,"

In Bethlehem, Manger thority over Israeli tour guides. The restrictions on entry Square is still dominated by an Indeed, Bethlehem at Christ- were imposed during the Gulf Israeli police station and its mastime is an example of how War in 1991, then tightened af-Palestinians across the West ter a rash of Palestinian attacks
Bank feel they have little conin Israel in March 1993, then and bottles, drawing fire from

bron last February.

BOSNIA: Carter-Brokered Truce to Start, a Day Late, Then Who Knows?

kilometers east. "Now we think we are on the good road," Mr. Karadzic said. 'It should take us to a final

territories," said Ratko Mladic, an restrictions on humanitarian the commander of the Bosnian convoys, the resumption of aid Serb army after he and Rado- flights to Sarajevo airport, the van Karadzic, his political protection of human rights and counterpart, signed the cease-fire in Pale, their stronghold 16 territory to UN human rights investigators.

Sections calling for the demilitarization of the six UN-designated "safe areas" around political peace."

Although Mr. Akashi had tried to include a series of more

Bosnia — including Sarajevo, Bihac, Gorazde, Zepa, Tuzla and Srebrenica — foundered on ambitious elements in the Muslim insistence that if Musagreement, the final version lim troops left those areas the mirrored the Carter proposal UN would have to protect except for two points. Both them Secondly, the demilitarisides agreed to the cease-fire, zation proposal also ran afoul the beginning of negotiations of the Serbs, who balked at the

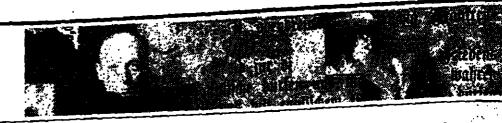
Mr. Akashi said that, unlike Mr. Carter's document, no two to be separate.

This is a significant point because more than 16,000 Bosniwar and many of them are be-"I think this is the first major Saturday on the cessation of prospect of their troops with-step toward real peace on these hostilities, the ending of Serbi- drawing from the parts of Sara- and concentration camps.

jevo that they occupy. If the Serbs pull their troops from Sa-rajevo, the city would effectively be reunited.

mention was made of a prisoner exchange. The reason, UN offi-cials said, is that the Bosnian government wants prisoner releases linked with an exchange of information about missing persons. But the Serbs want the

fighting won broad support Friday in the lower house of the an Muslims are missing in this Russian Parliament, Reuters relieved to have died in Serb jails ported from Moscow. The State Duma voted, 228 December 24-25, 1994





Detail of "Das Undbild," done by Kurt Schwitters in 1919.

The Master of Collage

By Michael Gibson tional Herold Tribune

ARIS - More eloquently than the militant artists of that age, Kurt Schwitters, in his life and varied work, illustrates both the resources of the human spirit and the scope of the historical and spiritual disasters of the first half of this century. The presentation of the big Schwitters retrospective at the Pompidou Center (to Feb. 20), is rather too neat and sanitized, however, to do full justice to this large, gentle, messy, manically dedicated artist.

Born in Hanover in 1887. Schwitters first pursued stan-dard studies in fine arts (producing some rather heavy-set oil portraits and landscapes), spent three months in the army behind a typewriter during World War I, and surfaced in Berlin in 1918 in the wake of "the glorious revolution" (the quotes are his) to make contact with the new-born Dada movement.

But Richard Huelsenbeck, the driving force behind Dada in Berlin, rejected his candidacy. He was atterly dedicated to the destruction of civilization" and Schwitters, he rightly assumed, was not. Schwitters never believed politics were the artist's business. Art was. And Schwitters may be rightly regarded as a sort of holy man of art, using whatever was at his disposal and even the absurd, to a constructive purpose.

His major find was collage, and he spent the greater part of his career recycling fragments, snippets and debris of daily life. His most endearing and persua-sive works date from 1918 to 1923, after which he momentarily drifted toward Constructivism under the influence of his friend Theo van Doesberg.

In his first collages he used tram tickets, cigar rings, bits of string, wood or clockwork toys as well as standard artist's materials. The overall effect is warm and beautiful, which is precisely what Schwitters wanted.

There was also an ironical subtext, apparent, for instance, man word "Und" figures prominently. Taken as an isolated roughly to the English "Well?" --- a valid question to ask in a country that had just managed to bring the world down about

But in this period of upheaval in Berlin, Schwitters felt extraordinarily happy and free. "All was lost, and it had become necessary to build something new out of debris. . . . I did not see what could prevent

one from using all the old brica-brac of the attics and garbage dumps as the raw material for a painting, as one would colors turned out by a factory. It was, in a sense, a perception of the social situation, from the artistic point of view, a private delectation, but it was above all the ultimate logical consequence.

Essentially, the very form he had created was metaphor: Now that everything lies in ruins, it implied, we can still achieve beauty (the good, truth), by using what was despised and rejected by the for-Since the public delighted in

well-defined art movements Schwitters dubbed all his work Merz, a randomly chosen syllable, snipped out of the word Commerzbank and, after his rejection by Dada, he took to presenting himself as a one-man movement. His collages were Merzworks and he filled much of his house in Hanover with one gigantic, constantly evolvsculpture, the "Merzbau" "cathedral of erotic misery") - which was ultimately destroyed in an Allied raid in \$1,000 grant from the New York 1944. He wrote poems that used the same principle of collage

and were also referred to as Merz. "And indeed," the artist concluded, "I now call my own HEN there was the "Ur-Sonate," or primal sonata. Schwitters had at one time want-

ed to be a composer, but decided his technical mastery was insufficient. Still, the "Ur-Sonate" is a musical structure of sorts, composed of meaningless syllables that Schwitters declaimed and sang with immense aplomb and a powerful voice -on one occasion before an audiin a collage in which the Ger- ence of stiff Prussian military men and aristocratic ladies. inently. Taken as an isolated Breasting hoots of laughter, statement, it corresponds he reduced them to silence and,

ultimately (according to Hans Richter who attended one performance), to highly emotional manifestations of gratitude.

When the Nazis came to power, Schwitters was predictably denounced as a degenerate artist and moved to Norway with his wife and son. His wife (and childhood sweetheart), returned to Germany to look after family interests and died alone in 1944.

When the Gestapo came looking for Schwitters after the invasion of Norway, he and his son escaped to England. The artist was at first interned as an enemy alien on the Isle of Man. He was ultimately granted asylum thanks to such influential art world figures as Herbert Read.

All through this period, Schwitters continued to work, producing portraits and con-ventional landscapes to earn a living (these works are also on view at the Pompidou Centre), but also Merz collages which, on the whole, no longer have the aura of earlier works.

It is hardly surprising. The man was physically powerful, but the ordeals of two decades had taken their toll and he once or twice had epileptic seizures, something that had not occurred since his adolescence. His disgust with the turn of events in Germany led him to renounce the German language - a significant sacrifice.

After the destruction of his Merzhau (a reconstruction is on view in Paris), and thanks to a Museum of Modern Art, he undertook a new version in 1947.

A friend offered Schwitters the use of a barn near Ambleside, England, and the artist began working at what he called the Merzharn. He barely had time to create a striking, col-ored plaster and stone wall, before he died, early in 1948, at the age of 60.

The transfiguration of junk into art, of nonsense into meaning, of a solitary, powerless artist into a significant figure of 20thcentury art, is also a metaphor of the predicament of modern society. That is probably why Schwitters attracts one today. He reminds us that spiritual attitudes -- signified by aesthetic values — live on in works such as these and that even the most vulnerable sometimes survive the powers that had, in the short term, overwhelmed them.

By Michelangelo? The Jury Is Still Out

ONDON --- Our time is obsessed with great names and authenticity of authorship as seldom before. Yet rarely does the public get a chance to glance at the evidence on which certainty is based in art history.

In a fascinating exhibition on view at the National Gallery until Jan. 15, the case of "The Young Michelangelo" and two paintings reputedly by him is sub-mitted to the tribunal by the art histori-

SOUREN MELIKIAN

an Michael Hirst and the conservator Jill Dunkerton. As with so many works providing an excuse for the great attribution game, "The Manchester Madonna," which, we are told, was painted by Michelangelo in 1497, and "The Entombment," now supposed to have been executed in 1500-1501, both surfaced on the art market stripped of their history.
"The Manchester Madonna" turned

up at a London auction in 1833. Sold as a Michelangelo, it then lost its identity to become the work of Domenico Ghirlandaio, Michelangelo's master. Offered as such to the National Gallery, it was turned down twice, in 1844 and in 1845. Twelve years later, the Madonna was restored to full Michelangelo-hood by the German art historian Gustav Waagen and displayed as a "discovery" in the Manchester Art Treasures show of 1857. In 1870, it was at last bought for the nation. But by the 1960s and 1970s, its Michelangelo status had been downgraded in hypothesis.

The story of "The Entombment" reads like a murkier version of the previous one. The picture was apparently spotted in Rome in 1845 or 1846 by a Scottish painter and photographer, Robert Mac-Pherson. He saw it in a job lot at the auction of Cardinal Fesch's collection. Later, MacPherson bought it for a trifling sum from the dealer who had acquired it

HISKED out of Italy in circumstances that the exhibition catalogue does not dwell upon, "The Entombment" was sold to the National Gallery in 1868. The gallery director, William Boxall, believed in it (naturally). So did Giovanni Morelli, "the father of modern connois-seurship," in the words of Nicholas Penny, currently Clore curator of Renaissance painting at the National Gallery. But Penny goes on, "The greatest of Brit-ish connoisseurs, Sir John Charles Robinson, would not accept it." Nor have some other specialists in this century. So, what about the latest pronouncements placing The Entombment," like "The Manchester Madonna," in the years Michelangelo spent in Rome, between 1496 and 1501? The problem is that not one painting

survives from these early years. While Michelangelo was admitted to the studio of Ghirlandaio in 1488, he gave more attention to sculpture. In 1489, he entered



Michelangelo assimilated the sculptor's skills and became acquainted with Ancient Roman art.

is a marble relief known as the "Madonna of the Stairs' carved around 1490. It displays total mastery even if the style is very much that of the Donatello studio. His next work of note has a hilarious story attached to it. "Sleeping Cupid" was admired by Lorenzo di Pierfrancesco de' Medici. So much, indeed, that the prince advised, in his kindness, the sculptor to age the marble and send it off to Rome where it would fetch a much bigger price as an Ancient Roman piece. A dealer took the marble and sold it to an agent of Cardinal Rafael Riario in Rome for 200 ducats while assuring Michelangelo and the prince that he had received 30 ducats for the sculpture.

the sculpture school opened by Bertoldo, modern Florentine work. The churchman a former assistant to Donatello. There promptly sent his agent Jacopo Gallo to Florence to investigate the matter. Not only did Gallo swiftly identify the culprit, but, more remarkably, the smooth inter-Michelangelo's earliest surviving work mediary persuaded Michelangelo to accompany him to Rome. Riario retarned the young artist in his service. He sent back the "fake" to the dealer — it would be unacceptable for your Renaissance churchman-connoisseur to be tricked.

Michelangelo was launched as a sculptor. A standing figure of the drunken Bacchus made him famous - the larger-than-lifesize marble is in the Bar-gello Museum in Florence.

No wonder that the earliest fully documented picture by Michelangelo, a Virgin and Child" that the artist pointbetween 1504 and 1506, has a strong sculptural feel. The handling of the Italy being Italy, word soon reached probably the most convincing, for asthe cardinal that the "antiquity" was a cribing "The Manchester Madonna" to a perfect Christmas treat.

Michelangelo. The shading of the pink dresses in both, the sleek effect given to the faces that betrays a sculptor's familiarity with carved marble, and other details, make the assumption more than plausible. Not least, "The Manchester Madonna" is a masterpiece and there are not all that many contenders who could be plausibly credited with it. Such is not exactly the case with The

Entombment." The exhibition, adminably and sparsely laid out, with only seven paintings, a few drawings and a few sculptures, is as flattering to great art, which the eye can contemplate at leisure, as it is ruthless to chumsmess And clumsy "The Entombment" undoubtedly is. The figures are shown standing in improbable postures, two of them off balance, hardly a plausible mistake from a sculptor. In particular, a woman beading backward displays a manneristic exaggeration that bears no visible connection to Michelangelo's recorded work. Add the mincing posture and soppy lacrymose face of the woman to the far right, and the likelihood of the

attribution recedes further still.

If anything, "The Entombrida" looks a bit closer to the "Virgin and Child with Saint John" ascribed in the catalogue to "an associate of Micheling and "These to "the Saint John" ascribed in the catalogue to "an associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John associate of Micheling and "These to the Saint John" and the Saint John associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John" associate of Micheling and "These to the Saint John" associate of Micheling and "These to the "Th gelo." There too, the figures are given unlikely postures. Michelangelo? If such an attribution should ever be established beyond doubt, it would reveal an unsu-pected flaw in the painter's mastery Here comes the downside of our car-

rent obsession with names. Were it not for the Michelangelesque whiff about this picture, it would never be granted the honors of such an exalted exhibition. There is no little irony in the fact that a masterpiece unknown to all but art professionals should be dragged into the limelight in that same show, as background material to the two "Michelange-los." This is Francesco Granacci's "Rest on the Flight into Egypt with the Infant Saint John," believed to have been paint-ed about 1494. The composition with the Virgin bending sideways as she lays a protective hand on the back of little John is original. Joseph leading a mule in the distance is an equally new idea. The face of the Virgin is as gentle as it is exquisitely subtle. Granacci, also a pupil of Ghirlandaio's, developed a close friendship with the young Michelangelo. Not much is made of him, nor is, regrettably, the National Gallery of Ireland in Dublin,

which owns the painting, a top priority to those who travel in search of art. There should be more exhibitions of this type: lean, beautifully laid out, crafted in the finest detail and dealing with major issues. Whether the viewer agrees or not matters little. The pleasure of gazing at art in peace, without the hype of ed for his friend Angelo Doni some time mega-shows, and of reading intelligent research (they regrettably forgot to include in the book a table of illustrations Doni tondo is one of the arguments, and chronology of Michelangelo's work,

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In Homage to St. Mark, Patron of Venice

By Roderick Conway Morris International Herald Tribune

ENICE - One of the strangest buildings on earth, St. Mark's Basilica is a kind of solidstate, sumptuously illustrated encyclopedia of Venice's history, government, economy and

As with all the best reference works, some of it was commissioned, but most of it was energetically pillaged from impecca-ble sources — principally the Byzantine east — with numerous eclectic touches, from the Gothic spires to the four bronze

horses that, though hijacked from Constantinople, probably began life in Rome. A 19th-century English archi-

tect may have disdained "the lumpy form of the cathedral which surprises you by the ex-treme uginess of its exterior . all in bad taste," but few before or since have remained so immune to to the exuberant, almost barbaric splendor of its domes, arches and pinnacles, and the awe inspiring, glittering richness of it marble and goldencrusted interior. The very surface you tread would be a strong candidate for the title of most

beautiful floor in the world. St. Mark's was consecrated 900 years ago and to celebrate the anniversary the crypt (now below sea level) has been sealed with resins in a 10-year project and rendered improbably dry, the restorers' scaffolding that has shrouded parts of the facade for well over a decade has been removed and a revealing "Homage to St. Mark" exhibition is

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Reviewed by

Trey Graham

A Prehistory of Television

By Michael Ritchie. 247 pages.

N the spirit of "Quiz Show,"

here are some quick ques-

tions: What star had a role in

the first televised performance

of Shakespeare, and whose air-

Which researcher created the

human anatomy did it contain?

answers at hand might want to pick up a copy of "Please Stand

By," an engaging new "prehis-

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Anyone who doesn't have the

Venice's original patron saint was Theodore of Heraclea, whose statue, trampling a crocodile-like dragon, still stands on one of the two massive granite columns in Piazzetta San Marco. By the ninth century, however, when the republic had already established itself as a maritime power to be reckoned with, the Venetians felt the need of a protector with more prestige.

In 829, two Venetian merchants spirited away the remains of the Evangelist St. Mark from his tomb in Alexandria, getting them past Egyptian customs officers, according to legend, by covering them with pickled pork

property of successive doges, housed in what was officially. until the end of the republic in 1797, the doges' private chapel. Two more modest, earlier churches existed on the site of St. Mark's, but in the mid-11th century it was decided that something altogether more

spectacular was required to honor the saint who had presided over Venice's inexorable rise to prodigious wealth. THE present basilica was built on the model of the Holy Apostles Church in Constanti-

nople, and Byzantine artists and craftsmen were imported to cre-(the scene is depicted in a 17th-century mosaic in an arch of the tury — after the fourth crusade's tury - after the fourth crusade's church's facade).

Possession of a top-notch
apostle not only worked wonders for Venice's international

sack of Byzantium—the church
acquired its present level of almost absurd opulence. Thousands of columns, panels, reliefs. sands of columns, panels, reliefs, standing but also served to le-statues, bronzes, icons and other gitimize and reinforce the au- embellishments were added to thority of the doge and of the state's oligarchical republican sury now stuffed with much of form of government. For the the contents of the Byzantine relics never fell into the hands emperors' collection, Venice being staged in the doges' apartments of the Palazzo Ducale
next door (until Feb. 28).

relics never fell into the hands emperors' collection, Venice
of the Catholic Church — remaining, as it were, the personal
the successor of the New Rome maining, as it were, the personal the successor of the New Rome.

Mark" does not attempt to compete with either the basilica or the treasury in sheer magnificence — but nonetheless has some wonderful sights to offer. The central theme is the image and symbolism of St. Mark and the diffusion of his gospel. When Christians became emperors and kings Bibles were sometimes transformed into hixurious products on which vast amounts of money were lavished. Only about a dozen of these very early "Purple Codexes" (their pages dyed with the imperial color and inscribed in silver ink) have come down to us, five of which are here. Scarcely less interesting are a number of ancient stone and ivory thrones, some probably used to display gospels rather than churchmen.

Wisely, "Homage to St.

St. Mark came to play such a central role in every aspect of Venetian life, that city, state and saint became synonymous. And, when the republic collapsed in the face of the French onslaught, the despair-laden rallying cry of Venice's ill-prepared defenders was simply "Marco! Marco!"

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NEW AUTHORS PUBLISH YOUR WORK ALL SUBJECTS CONSIDERED Authors World-wide Invited its or send your manuscript to

BOOKS tory" of the tube that covers the quarter-century between the first mechanical telecast and what can only be described as the debut of the first real "season" on NBC.

Author Michael Ritchie, in a bit of irony that will be most appreciated by those who read the book, is best known as a motion picture director, having brought us "The Candidate," The Bad News Bears" and other films. But Ritchie clearly harbors none of Hollywood's legendary disdain for the art of waves carried the program? the small screen, "Please Stand By," in fact, is like television at most gruesome experimental its very best: lively, informacamera, and what part of the tive, accessible and marvelously

entertaining. Who knew, for instance, that Marilyn Monroe played her first screen role not in the movie houses but on Los Angeles' fledgling KTLA? As Ritchie tells it, the novice actress (still known as Norma Jean Baker) developed a paralyzing case of stage fright during a live broadcast of "Armchair Detective" in 1947 — years before she came to the public's attention in "The Asphalt Jungle."

Ritchie follows the develop-

what can only be described as two exceedingly experimental decades. He ends his chronicle on Dec. 27, 1947, when a freak snowstorm in New York City

nearly wrecked the first broadcast of an NBC show called 'Puppet Playhouse," starring a character named Howdy Doody. The course of broadcasting history since then has been amply documented; what makes "Please Stand By" a valuable addition to television lore is its account of the years before the rise of the networks.

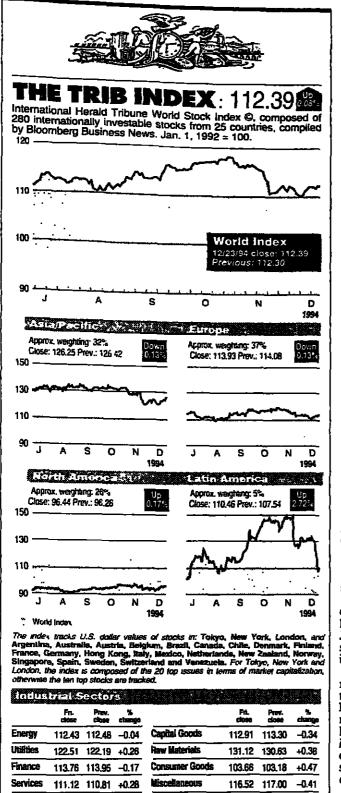
That's not to say the book is perfect. Ritchie's stories about studio disasters are often delightfully funny, and his research seems thorough, but the organization of his chapters sometimes results in overlap that may confuse readers. Still the author's obvious affection for his subject is winning, and he does demonstrate a certain flair for the dryly delivered an-ecdote. One such is the tale of the first televised utterance of a certain four-letter epithet, which came during a live children's show on the now-defunct DuMont network after a camcraman burned his posterior on

the red-hot "cherry light." Now, the answers to the quiz-Walter Marthau, who had been Iago in a televised "Othello" in 1948, thought for a long time that he was part of the first Shakespeare on TV. But by Ritchie's account, that prize goes to Laurence Olivier, who apparently corrected Matthau one night at an awards dinner, pointing out that he had been in the very first video broadcast of the Bard — a performance of "As You Like It" on the BBC in 1936.

And the ickiest television camera known to man? Let's just say you wouldn't want John Logie Baird, a Scotsman who did early television research in England, to get his hands on your eye-donor card-As for the specifics of his most Outrageous experiment they're in "Please Stand By."

Trey Graham, who writes about television and other media for the Washington Blade, wrote this for The Washington Post.

حكما من الاعل



Ex-Banesto Head Is Jailed for Role In Bank's Collapse

By Erik lpsen

by Spaniards as the most ad-Morgan led an international el-mired businessman in the land fort to raise nearly \$700 million was driven in an unmarked po-for the bank through the sale of lice car Friday to spend the first new Banesto shares. Morgan's of what could be several Christ- own Corsair Fund of institumases behind bars.

ing by authorities.

embezzlement and fraud concerning as much as 7 billion broadcasts in Spain were domipesetas (\$52 million) of assets nated by reports of what Mr. of Banco Español de Crédito SA, or Banesto, although there was no announcement Friday. A week earlier, Banesto's for-mer deputy chairman, Arturo Madrid. If convicted on all Romani, was jailed after an in- counts, Mr. Conde faces as dictment on similar charges. Nearly a dozen former Banesto

officials are currently under investigation, although no charges have yet been brought. Mr. Conde's jailing came five days short of the first anniversary of the near-collapse of Banesto, which was then taken over by the central bank, the Bank of Spain. Its authorities later re-

shortfall of 605 billion pesetas. The downfall of Mario Conde, the snave 46-year-old former lawyer who numbered King Juan Carlos among his friends, shocked the international banking fraternity last year.

vealed that Banesto had faced a

For the man who was once regarded as a leading conservative rival to Felipe González, the long-serving Socialist prime stake in Banesto, an acquisition minister, and who was noted for that boosted Santander to the his late nights in Madrid's trend- position of Spain's largest bank. iest flamenco bars, the prospect of years of existence framed by steel bars marks the latest in a dizzying series of humiliations.

Nowhere outside Spain was the news more unwelcome than at the New York headquarters of J. P. Morgan & Co.

International Herald Tribune esto's collapse and subsequent The man consistently voted rescue by Spain's central bank,

tional investors bought \$175 The jailing without bail of million of the new shares, mak-Mario Conde, the former head ing it Banesto's largest share-of Spain's fourth-largest bank, holder. The move, which came came five days after he began after months of careful exami-37 hours of intensive question-nation of Banesto's books by Morgan, was then hailed as Spanish authorities reported- proof of Banesto's improving ly have accused Mr. Conde of prospects.

On Friday, television news Conde could expect of life this holiday season at the Alcalá-Meco high-security prison 40 much as 24 years in prison.

Both Mr. Conde and Mr. Romani stand accused of, among other things, selling companies from Banesto's vast portfolio to other companies that they themselves owned and then selling them back to the bank at inflated prices.

In addition to criminal charges, Mr. Conde faces a civil suit filed by Banesto holders.

Four months after the rescue of Banesto by the Bank of Spain, which quickly ousted Mr. Conde and his board of directors, Banesto was sold to another large Spanish institution, Banco Santander. In April, Banco Santander paid \$2.28 billion for a majority

Banco Santander announced Friday that it had sold I percent of Banesto to J. P. Morgan.

In doing so, Santander issued statement welcoming J. P. Morgan to what it called "part of the stable nucleus of Banesto

Mexico's Bonds Feel the Heat

End of a Tough Year

By Kenneth N. Gilpin New York Times Service

NEW YORK - In large measure, Mexico's financial future rests with American investment companies. But the events of the last two days, the latest in a string of surprises this year, have led some to wonder if Mexico is truly on its way to becoming a relatively safe place to invest.

"The assumption was that in 1995 Mexico would become

investment-grade," said Joyce Chang, a director of emerging markets research at Salomon Brothers in New York. "In the short term, that is not now likely to happen."

Mexico's stunning decision to devalue the peso, and then allow its currency to float against the dollar, have shaken but not completely shattered Wall Street's confidence in Mexico's continued transition from a debt-ridden Third World nation to a prosperous, free-market-oriented economy.

The damage suffered by Mexico's credibility can be measured in the way financial markets have treated the country's assets: In two days, the value of such peso-denominated assets as stocks and bonds has fallen nearly 30 percent. "We feel Mexico will recover," said Ed Cabrera, manager of Latin American strategy for Merrill Lynch & Co. "The question is how long that will take."

Yet even before the current crisis, money managers were starting to move substantial amounts of money out of Mexico. After heavy inflows from 1991 to 1993, it was a develop-

ment that the members of the international financial community had expected. "It is important that investors in these markets recognize

the uncertainties, and it is probably most practical to take a medium-term perspective," said Charles Dallara, managing

See INVEST, Page 8

S&P Drops Credit Rating

NEW YORK - Standard & Poor's Corp. said Friday that it was lowering its rating on Mexico's peso-denominated debt and putting the country's long-term debt in foreign currencies

under review following the fall in the peso's exchange rate. The company lowered its rating for the peso-denominated debt from AA-minus to A-plus. And it put the long-term debt, rated at BB-plus, on its CreditWatch list with negative

The moves affect about \$30 billion of debt. While the pesodenominated debt remains investment-grade, lower credit ratings mean Mexico City will have to pay higher interest

rates to borrow money.

The CreditWatch placements reflect the greater difficulty of financing a current account deficit with the depreciation of the peso and heightened economic policy uncertainties, S&P said.

The peso has lost about a quarter of its value this week. The Mexican government lowered the peso's trading floor Tues-day and on Thursday allowed the currency to float freely. The peso stabilized Friday, trading late in the day at 4.70 to the dollar, compared with 4.80 late Thursday.
"The markets overreacted yesterday." Javier Murcio, an

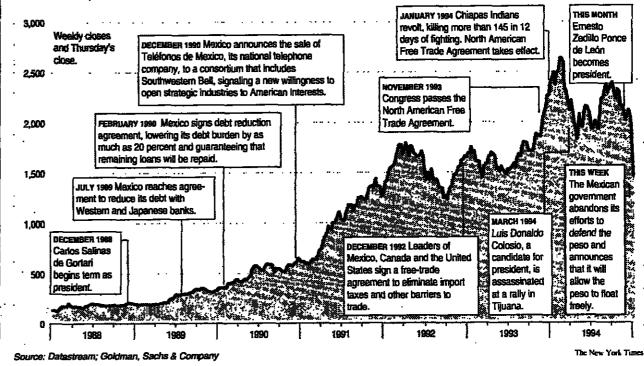
economist for Latin America at Paribas Capital Markets in New York, said Friday. "That's typical for a panic situation." The rating agency said the sharp depreciation had height-ened economic policy uncertainties. It said those develop-ments could weaken Mexico's incipient economic recovery, compounding the political challenges already confronting the

country's new government. Mexico's heavy dependence on foreign capital inflows demands strict adherence to conservative economic policies.

See DEBT. Page 8

A Raging Bull Takes a Fall

The index below, the Financial Times-Actuaries world index for Mexico expressed in dollars.



ECONOMIC SCENE

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Nevilly Cedex. France.

German Outlook? Try Again

By Miriam Widman ial to the Herald Tribune

ERLIN — As German economists peer into their crystal balls for hints of wisdom about the economy next year, most would rather forget their predictions for 1994 - and 1993.

Many German analysis, both private and in the government, have been dead wrong two years in a row. This year they were too pessimistic: last year too optimistic.

Most early forecasts this year called for a 1.0 percent increase in West German gross domestic product. The government was even more pessimistic, predicting an increase of between 0.5 percent and 1.0 percent in West German GDP. A statistician at the Economics Ministry in Bonn who asked not to be identified said the emphasis was "on the 1 percent."

"We were in good company," admitted Thomas Kull, an economist with the Westdeutsche Landesbank Girczentrale in Düsseldorf. WestLB, like many other German banks, predicted at the end of 1993 that this year's rise in West German GDP would amount to 1.0 percent.

Now, most said they believed West German GDP growth this year would hit at least 2.5 percent. The government's forecast has been revised upward to between 2.0 percent and 2.5 percent, with an emphasis on the 2.5 percent. Officials see a 3.0 percent GDP rise for all of Germany, in line with private analysts' expectations.

In 1993, many economists expected flat growth. Actual figures showed a 1.7 percent

What went wrong?

"The depth of a turnaround is just hard to predict," said Rainer Schroeder, an econo-mist with the Dresdner International Research Institute. But, he said, analysts generally got it right when it came to predicting the recession's low point and when the economy would turn around.

Robert Lind, an economist with Hoare Govett in London, said the problem was the nature of forecasting, which he called "a glorified extrapolative procedure by nature." The trouble is that forecasters take the most recent information and try to project it outward.

The economist from the Economics Ministry attributed the inaccuracy to two surprise occurrences; stronger exports because of faster growth in Germany's main trading partners, and a smaller decline in private con-

He noted that in the beginning of the year higher taxes removed 8.0 billion Deutsche marks (\$5 billion) from consumers' pockets. A rise in social security contributions took away an extra 20 billion DM. With less money to spend, the ministry and many private economists predicted consumption would decline sharply. But consumers continued to spend, taking money from their savings.

So what's the likelihood that analysts will get it right in 1995? Perhaps Reinhard Kudiss, an economist with the Federal Association of German Industry, has the right approach. "I'm not in favor of taking a forecast out to the decimal point," he said. "Let's just say that we can expect a better result next year than this year.'

Analysts say they are more confident of their predictions for 1995. But at least if they get it wrong, it won't be the first time.

5%-5%

5 6%-6% 5 %-5 % 5 6 %-6 % 5%-5% 7 %-7 % 5%-5%

Sources: Reviers Lloyds Sank.

Key Money Rates

CURRENCY & INTEREST RATES

Currency Per 5
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S. Kor. won 771,00
Swed. Krone 7,482
Taiwan 5 25.40
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United States

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EU Offers U.S. a Deal On Tariffs

BRUSSELS - The European Union and the United States appeared to back away from a trade dispute Friday as U.S. officials expressed optimism over an EU offer of tariff concessions on semiconductors, computer parts and chemicals.

The EU offer, made late Friday after three days of highlevel telephone and video conference calls, would effectively maintain existing low or zero tariffs on chips, computer parts and chemicals imported by Austria, Finland and Sweden after they join the Union on

Jan. 1. EU sources said. U.S. companies like Intel Corp., and Motorola Inc. sell more than \$1 billion a year of electronic components to those countries. They would face increased duties of more than \$100 million if the three countries adopt EU tariff levels, the United States has estimated.

But the offer does not include agriculture, the sources said. The United States is eager to maintain its exports of rice, orange juice and almonds, which face few tariff barriers in the three countries. But southern EU states, which compete in those areas, insist that the countries adopt EU tariffs.

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RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHUR-CH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraet 3, S. Amsterdam Info. 02940-15316 or 02503-41399. KIEV

INTERNATIONAL CHRISTIAN ASSEM-BLY (AOG), An English-language, Interde-nominational Fellowship, Sunday Service 10:30 a.m., Klev Council of Trade Unions Building, 16 Kresschaftk Street, Paster El-don Brown (7044) 244-3376 or 3502. PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 56 Pue des Bons-Raisins, Rueil-Mathreison. An Beangelizel church for the English speaking community located in the western suburbs.S.S. 9:45; Worship: 10:45. Chi-dren's Church and Nursery. Youth ministries Dr. B.C. Thomas, pastor. Call 47:51:29.63 or

HOPE INTERNATIONAL CHURCH (Exen-gelical), Sun. 9:30 a.m. Hotel Orion, Metro 1 : Esplanade de La Défense. Tel.: 47,73,53,54 or 47,75,14,27.

THE SCOTS KIRK (PRESBYTERIAN)
17, rue Bayerd, 75006 Parts. Metro FD Roo-seveil. Family service & Sumday School at 10:30 a.m. every Sunday. All Welcome. For information 48 78 47 94.

Christmes Eve Service 11.15 p.m. Christmas Day Service 10.30 a.m. All Welcome Tel: 48.78.47.94. SAINT JOSEPH'S CHURCH (Roman

SAINT JUSEPT'S CHORGY (ROBBIT Celholic), Messes Sunday, 9x5 a.m., 11:00 a.m., 12:15 p.m., and 6:30 p.m. Saturday, 11:00 a.m. and 6:30 p.m. Monday-Friday, 8:30 a.m. 50, 8x8mus Hoche, Paris 8th Tel: 42:27:28:56. Metro; Charles de Gaulle - Elolle. MUNICH

INTERNATIONAL COMMUNITY CHUR-CH, Evangelical Bible Belleving, services in English 4:30 p.m. Sundays at Enhabersir. 10 (4:2 Thereslensir.) (089) 850-8617. PEACE CHURCH - English-speaking congregation, Worship and Sunday School 11:30, Fraueniobstrasse 5, 80337 Munich

congregation, worship and suntary school 11:30, Fraueniobstasses 5, 80337 Munich (Sandlinger Tor station)... Tel. (0) 89 + 300-6100 (personage) or (0) 89 + 23 11 55-3 (office). NPOFMATION, other class, call (0) 69 +23 61 27 or (0) 6192 + SALTRURG

BEREAN BIBLE CHURCH, In Berea, "They searched the scriptures daily" Acts 17:11. Evengalical English service at 10:30 a.m. with Pastor David libbotson. Franz Josef Strasse 23. For info call 43 (0) 662 455563. TOKYO

CHURCH, near liciabashi Sm. Tel: 3261-3740. Worship Service: 9:30 a.m., Sundays. TOKYO UNION CHURCH, resr Omolesan-to subway St. Tel. 3400-0047, Worship services Sunday 8:30 & 11:00 a.m., SS st 945 a.m.

If you would like a free Bible course by mail, nieses content: L'EGLISE de CHRIST, P.O. piesse contact: L'EGUSE de CHPIST, P. Box 513, Staunton, Indiana 47881 U.S.A. VENNA

VIENNA CHRISTIAN CENTER; A CHARIS-MATIC PELLOWSHIP FOR VIENNA'S IN-TERNATIONAL COMMUNITY, * English Language * Trans-denominational, meets at Languege * Trans-denominational, meets at Halbgasse 17, 1070 Vienna, 600 p.m. Eve-ry Sunday, EVERYONE IS WELCOME. For more information cal: 43-1-318-7410.

ZURICH-SWITZERLAND ENGLISH-SPEAKING CATHOLIC MIS SiON, located at St. Anton Chunch, Miner-vestrasse 63. Sunday Mass at 11:30 a.m. December 24, Christmas Eve Mass at 7:00

UNITARIAN UNIVERSALISTS

BARCELONA: (34-3) 723-0158. BRUSSELS: Tel.: (32) 2-260 0226. or (32) 2-762-4293 meets 3rd Sun. of moretic. CENEVAMENTA: (41) 31-352 3721 or (41) 52-32-0051 CÉNEVABRIME (41) 31-352 3721 or (41) 52-232-0051. MEDICE BERGE (49) 6221-472116. MAISERSLAUTERNE (49) 6395-8595. MARICINE (49) 821-47-24 88 or (49) 89-28-2365 mest 4th Sunday each tru, et 2 p.m., Peace Church, Figueriobsir. 5, Munich. MURENBERG: (49) 911-46-7307 or (21) 175-78-78-48

NUITENBERG: (48) 911-46-7307 of (31) 175-7-8348. NETHERLANDS: (31) 71-14-0988. PARS: (33) 1-42-77-96-77. UNC (44) 81-891-0719. WIESBADEN: (49) 611 71-94-51. For information write: EUU do Hertz, Fryden-Landsey 49, DK-2950 Verdeaer, Denmark (Fax + Tel) (45) 42-89-4184.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenus George V, Paris 75008. Tel: 33/1 47 20 17 92. Metro: George V or Alma Nasraeu.

FLORENCE ST. JAMES CHUPCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tell: 3955 29 44 17. FRANKFURT

CHURCH OF CHRIST THE KING (Episco-pal/Anglican) Sur. Holy Communion 9 & 11 a.m. Sunday School and Nussey 10:45 a.m. Sebastian Pirz St. 22, 60:223 Frankfurt, Ger-many, U1, 2, 3 Miquel-Aliee, Tet. 49:69 55:01 84.

GENEVA EMMANUEL CHUPCH, 1st, 3rd & 5th Sun. 10 a.m. Eucharist & 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78. MUNICH

THE CHURCH OF THE ASCENSION, Sun.

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rile I; 10:30 a.m. Choral Eucharist Rile II; 10:30 a.m. Church School for children & Nussery care provided; 1 p.m. Spanish Eucharist, Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3960. **BRUSSELS/WATERLOO**

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 s.m. Family Eu-charlst. Franklurier Stresse 3, Wisebaden, Germany, Tel: 49/811.30.66.74.

BAPTIST CONVENTION BARCELONA

FAITH FELLOWSHIP INTERNATIONAL meets at 9:30 a.m., Bona Nova Baplist Church Center de la Clutal de Ballaguer 40 Pastor Lance Borden, Ph. 439-5059.

BERLIN INTERNATIONAL BAPTIST CHURCH, BEFLIN Rotherburg Str. 13, (Stegliz). Bible study 10.45, Worship at 12.00 each Sunday. Charles A. Warford, Pestor. Tel.: 030-774-4570.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHUR-CH OF BONNKÖLN, Rheinau Strasse 9, Köhn. Worship 1:00 p.m. Calvin Hogue, Pastor. INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzsir. 9 English Language Ser-vices. Bible study 16:00. Worship Service 17:00. Pastor's phone: 6908534. Pastor. Tel.: (02236) 47021.

BRATISLAVA INTERNATIONAL BAPTIST CHURCH, (English language, evangelical) Zrinskel 2,12:30 Sunday - Ben Hanna, Tel.715367. BREMEN

INTERNATIONAL BAPTIST CHURCH (Engish language) meets at Evangelish-Freikin-chilich Kreuzgemeinde, Hohenlohestrasse Herman-Bose-Str. (around the come from the Bahnfof) sunday worship 17:00 Emest D. Walker, pasaor. Tel. 04791-12877. BUCHAREST

INTERNATIONAL BAPTIST CHURCH, Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3960. BUDAPEST

INTERNATIONAL BAPTIST CHURCH, international BaPTist CHURCH, meets in Motics Zeignrond Ginnazium, To-nokvesz ut 48-54, Sundays, 10:00 Coffee Fellowship, 10:30 Worship, Take Bus 11 from Beithyeny ter. Other meetings, call Pas-tor Bob Zonden, Tel. 250-3832. RULGARIA

INTERNATIONAL BAPTIST CHURCH, World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor, Tel.: 704367.

CELLE/HANNOVER INTERNATIONAL BAPTIST CHURCH, Windmulen Strasse 45, Celle 1300 Worship, 1400 Bible Study, Pastor Wert Campbell, Ph. (05141) 48416. DÜSSELDORF

INTERNATIONAL BAPTIST CHURCH. En-glish. Worship and Children's Church Sun-days at 12:30 p.m. Meeting temporarily at the Evangelisch - Freikinthiche Gemande in me everygeison - Freikronische Gemeinde in Ratingen, Germany (Kaiserberg 11), Friend-ly Fellowship, All denominations wetcome, For further Information call the pastor: Dr. W.J. De Lay, Tel.: 0211 -400 157.

FRANKFURT INTERNATIONAL CHRISTIAN FELLOW-NTERNATIONAL CHRISTIAN FELLOW-SHIP Evengelsch-Freikichliche Gemeinde, Sodenerstr. 11-18, 6380 Bed Homburg, phone/Fax: 06173-62728 serving the Frank-turt and Taunus areas, Germany, Sunday worship 09-45, nursery + Sunday-school 1000, women's bible studies. Housegroups - Sunday + Wednesday 18:30. Passtor M. Levey, member European Bepäst Conven-tion. "Declare His glory amongst the na-finns."

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. HB, pastor. Tel.: 069-549559.

HEIDELBERG GRACE INTERNATIONAL BAPTIST CHURCH, Industrie Str 11, 6902 Sandheu-aen. Bible study 09:45, Worship 11:00. Pastor Paul Hendrix, Tel.: 08224-52295. HOLLAND

TRINITY BAPTIST S.S. 9:30, Worship 10:30, russary, warm leftowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel: 01751-78024. MADRID

IMMANUEL BAPTIST, MADRID, HERNAN-DEZ DE 75,140A, 4. ENGLEH SERVICES 11 a.m., 7 p.m. Tel.: 407-4347 or 302-3017, MOSCOW

INTERNATIONAL BAPTIST FELLOWSHIP Meeting 110; Kino Center Building 15 Druz-Druzhinitovskaya U. Siti Ploor, Hall 6, Me-tro Station Barrikadneya Pestor Brad Sta-may Ph. (095) 150 3293. MUNICH

PRAGUE

International Baptist Fellowship meets at the Czech Beptist Church Vinohradska # 68, Prague 3. At metro stop Jimhoz Podebrad Sunday a.m. 11:00 Pastor: Bob Ford (02) 311 7974. WATERLOO

Watertoo Baptist Fellowship Worship 1400 at Swedish Church, Chaussee de Charlerol 2 across from McDonalds, Tal.: 065 225076. WUPPERTAL

International Baptist Church, English, German, Persign, Worship 10:30 a.m., Selerstr, 21, Wuppertal - Eiberled, All denominations welcome. Hans-Dieter Fraund, pastor, Tel.: 0202/4698384. ZURICH - SWITZERLAND LUKICH - SWITZERLAND
INTERNATIONAL BAPTIST CHURCH of
Wäderswill (Zuich), Rosenbergs: 4, 8820
Wädenswill, Woiship Services Sunday mornings 11:00, Tel: 1-724 2862.

ASSOC, OF INT'L CHURCHES IN EUROPE & MIDEAST

BERLIN AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel: 0:30-8132021.

BRUSSELS THE INTERNATIONAL PROTESTANT 9.30 a.m. and Church 10:45 a.m. Ketter-berg, 19 (at the Int. School), Tel.: 673.05.81, Bus 95. Tram 94.

COPENHAGEN
INTERNATIONAL CHURCH of Copenhagen, 27 Favergade, Variov, near Radhus, Study 10:15 & Worship 11:30. Tel.: 31624785. FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Alice 54 (Across from Burger Hospital), Sunday School 9:30, worship 11 a.m. Tel.: (009) 599478 or 512:52. GENEVA EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaina. Sunday worship 9:30. in Ger-man 11:00 in English. Tet (022) 310.50.89.

JERUSALEM LUTHERAN CHURCH of the Redeemer

LONDON AMERICAN CHURCH in London 79 Tot-tenham Ct. Rd. Wt. SS at 10,00 a.m., Worship at 11,00 a.m., Goodga St. tube. Tel: 071-580 2791.

AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quei d'Orsay, Paris 7, Bus 63 at door, Metro Alma-Marceau or Invalidas. STOCKHOLM

MMANUEL CHURCH, Worship Christ in Swedish, English, or Korean. 11:00 a.m. Sunday. Birger Jarlsg, at Kungstensg. 17. 46/08/ 15 12 25 x 727 for more information. TIRANE INTERNATIONAL PROTESTANT ASSEM-

BLY, Interdenominational & Evangelical Services Sun. 10:30 a.m., 5:00 p.m., Wed. 5:00 p.m. Ruga Myslym Shyri. Tel/Fax 3:58-42-42372 or 23262 VIENNA

VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, russery, International, all denomina-tions welcome. Dorotheargasse 15, Vienna 1. ZURICH INTERNATIONAL PROTESTANT CHUR-CH English scealing, worship service, Sun-day School & Nursery, Sundays 11:30 a.m., Schenzengasse 25. Tel.: (01) 2825825.

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ALTER ALTERNATION

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ماننده موسع به معروره

| Dec. 23 | Dec. 23 | Dec. 24 | Dec. 25 | Dec. Cross Rates 13.22 78.101 84.54 24.67 4.125 75.52 411.64 10.12 12.76 95.12 10.1

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Forward Rates 15-day 69-day 90-day 1,5-469 1,5-469 1,5-469 1,5-7-42 1,5-729 1,5-714 1,3-975 1,3-975 1,3-922 Surtes franc 1,305; 1,325 1,325 Sources: Bank (Bruspels); Banka Commerciale Italiana Sources: ING Bank (Amsterdam); Indosuez Bank of Takyo (Takyo); Reyal Bank of Canada Sources: ING Blank (Amserdam); Indosuez Blank (Brus (Milan); Assence France Presss (Paris); Blank of Takvi (Toronto); IMF (SDR), Other data from Reuters and AP.

Compiled by Our Staff From Dispatches NEW YORK - The stock market sallied into the holiday with prices rising in thin trading Friday as the bond market firmed and traders adjourned

for Christmas. The Dow Jones industrial average rose 18.51 points, to 3,833.43.

Today is a semi-holiday," said Phil Roth, chief technical

U.S. Stocks

analyst at Dean Witter Reynolds, referring to the exodus before the three-day weekend. There's better action in the blue chips than elsewhere, with little volume or volatility."

Gaining issues led décliners by almost a 4-to-3 ratio on the New York Stock Exchange.

Long-term bonds also rose, with the benchmark 30-year Treasury closing at 96 3/32, up 9/32 point. That lowered its yield to 7.83 percent from 7.85 percent Thursday. Traders attributed the rise to year-end window dressing, and that helped push stocks higher. Some analysts also cited bar-

gain-hunting and the fizzling of and Ford rose %, to 26%. year-end selling to clean up (Knight-Ridder, Reuters

portfolios of particular stocks for tax-loss computations.

Mexican issues led the New York rally in a moderate firming that ended a week of heavy losses from political unrest and the floating of the peso.

"There's nothing to keep the market down," said Thomas Gallagher, head stock trader at Oppenheimer. "Mexico seems a litile bit better."

The most actively traded Big Board stock, Telefonos de Mexico, closed unchanged, at 40%. In other Latin American issues Grupo Televisa rose 1/2, to 32%, and Grupo Tribasa rose 16, to 194, but early gains cluded the Mexico Fund, which fell 14, to 231/4, and Empresas ICA, which lost ¼, to 19%.

Delta Air Lines led airlines by gaining 3%, to 49%, after a judge said it was not liable to Pan Am creditors, UAL Corp. was up 3½, to 89½, and AMR Corp. was up 2, to 53.

Among the major automakers, General Motors, following a glowing fourth-quarter earnings estimate, shot up 21/4, to 41/4, Chrysler rose 1/4, to 48/4, (Knight-Ridder, Renters, AP)

Repatriation of Profits **Helps Dollar Advance**

Compiled by Our Staff From Dispatches NEW YORK - The dollar rose against European currencies Friday, helped by a round in American financial markets of year-end buying by U.S. corporations in thin trading before remnent's decision to allow the the Christmas holiday weekend.

The dollar rose to 1.5793 Deutsche marks from 1.5743 DM on Thursday, to 5.4525

Foreign Exchange

French francs from 5.4405 francs and to 1.3329 Swiss francs from 1.3315 francs. It slipped to 100.12 yen from 100.25 yen. The pound weakened to \$1.5463 from \$1.5468.

The dollar was underpinned by buying from U.S. corporations repatriating profits from Europe before the new year, said Richard Koss, currency sales manager at Canadian Imperial Bank of Commerce in New York.

With trading so thin before the holiday, that corporate buying was enough to push the dol-lar a bit higher. U.S. and most European banks will be closed

Christmas.

in American financial markets peso to float continued to give the dollar a firm tone.

but investors were still wary of leaving assets in Mexico. "A lot of damage has been done to the confidence of inves-

tors in Mexico, and they're going to be looking elsewhere — to the U.S.," said Tom Benfer, director of foreign exchange at Bank of Montreal.

economy was still growing.

Committee next meets. But the dollar slipped against

underpinned by durable-goods data that indicated the U.S. That could prompt the central bank to raise rates again at

the yen amid selling by Japanese exporters before year-end, traders said. (Reuters,

Knight-Ridder, Bloomberg)

Monday in observance of Some nervousness about Lat-

The peso stabilized Friday,

Traders said the dollar was

the end of January, when its policy-making Open Market

Continued from Page 7

S&P added. If the government implements its announced fiscal and monetary tightening in the next few weeks, it said, investor confidence could return and thereby stabilize Mexico's credit standing.

S&P also said it was lowering its rating on the peso debt of Mexico's largest bank, Banco Nacional de México SA (Banamex), as well as some foreigncurrency debt of Banpais SD.

Copper electroiviliation FOB, ion
Lead, ib
Silver, troy oz
Sitesi (scrop), ion
Tin, ib
Zinc, ib

The agency is also putting the bonds of several major companies on review, including Empresas ICA Sociedad, Nacional Financiera SNC (Nafin), Banco Nacional de Comercio Exterior SNC (Bancomext), MABE Export SA, Grupo Tribasa SA,

Cemex SA and Tolmex SA. (Bloomberg, AFX, Knight-Ridder, AFP, Reuters)

Continued from Page 7 director of the Institute for In-

ternational Finance in Washington, which represents commercial banks around the world.

Since the start of the year, most of the money that has flowed out of Mexico has come from its bond market, according to statistical estimates from the institute.

From a peak in February to depository receipts in the Unit-Dec. 8, offshore holdings of ed States amounted to slightly of Salomon Brothers said, in early January.

peso-denominated bonds more than \$50 billion, down "people didn't think that Mexishrank by nearly two-thirds, to from a peak of more than \$60 co would have lower foreignslightly more than \$5 billion. That number is almost certainly

smaller now. The drop in equity holdings has not been nearly as severe. At the end of November, the institute estimated, foreign holdings on the Mexican stock exchange and in Mexican stocks that traded in American

billion in January. Those changes, along with cla."

the start of the year.

DEBT: Mexican Bonds Under Fire INVEST: 1994 Planted Doubts Among Investors on Mexican Securities

exchange reserves than Venezu-

the decision that many Mexicans have apparently made rethe devaluation, the value of cently to get some of their own money out of the country, have bond index, a basket of 25 driven down Mexico's foreign bonds, closed at 189.35. The in-reserves to an estimated \$8 bil- dex fell sharply Wednesday, lion, from about \$30 billion at was down almost 3 percent Thursday and now has lost "Two weeks ago," Ms. Chang nearly 20 percent since its peak

EUROPEAN FUTURES Dow Jones Averages The Dow Standard & Poor's Indexe RENT CRUDE OIL ()PE) Low Clase Ch'es 15.92 15.91 15.96 15.99 N.T. 16.14 16.16 N.T. 16.34 16.36 NYSÉ Indexes Lost Chg. LOW Metric for 1104:90 1105:50 1117:00 1118:00 1131:50 1132:00 1145:00 1146:00 251.51 250.59 250.95 +0.24 318.62 317.23 317.83 +0.44 271.42 271.17 221.07 +2.74 199.78 199.08 199.08 -0.47 196.56 196.24 196.30 +0.04 Stock Indexes Financial FTSE 100 (LIFFE) 125 Der Index Polisi **NASDAQ Indexes** Est. volume: 131 CAC 40 (MATIF) FF388 ser Index 90 Dec 1971.00 Jon 1979.00 Jon N.T. Sep N.T. Est. volume: 143 Last Cog. Index, solat 1971.09 1959.00 1959.00 N.T. N.T. 1977.50 1969.00 1999.00 1990.00 1907.50 — N.T. N.T. 1970.50 — 743.12 739.51 741.67 738.71 693.41 691.78 91.401 911.92 855.54 851.11 647.22 638.08 742.46 + 1.12 741.50 + 2.89 693.41 --0.45 913.48 --1.09 854.09 --0.20 447.23 + 9.18 NYSE Most Actives Sources: Matti, Associated Press. Landon Intl Financial Futures Exchange. Intl Petroleum Exchange. **AMEX Stock Index** Low Last Cha. 428.83 427.46 428.76 +1.36 Dividends 3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pcf Dow Jones Bond Averages Close 92.65 87.23 96.46 **NASDAQ Most Actives NYSE Diary** _ 10 % 1-9 1-24 _ 10 % 1-5 1-20 Vol. High Low Last Low Loss 27% 28% 34% 35% 18% 18% 18% 18% 19% 18% 26% 55% 17% 17% 27% 27% 27% 60% 60% 14% 40% 16% 16% 17% STOCK SPLIT surs 2 for 1 split. + 2 1/2 - 1/16 + 2 1/16 + 1/16 - 1/16 - 1/16 - 1/16 - 1/16 - 1/16 AMEX Diary EST. VOLUME: 20,783. OPEN IN LONG GILT (LIFFE) SS0,990 - pts & 32nds of 10e pct Dec: 102-03 102-35 Mar 102-15 102-05 Jun N.7. N.7. Est. volume: 21/93. Open Int Advanced Declined Unchanged Total Issues New Highs New Lows Q 86 1-13 1-27 9 91 12-31 1-15 - .7125 12-28 1-71 CORRECTION **AMEX Most Actives** 1 Low Less 576 578 2114 2479 176 176 1 2 276 1 1296 1376 1 1296 1376 1 1016 1 Vol. High 26730 714 11638 26 6442 374 6315 374 5531 1374 4540 454 4074 1074 4074 1074 3376 2 2992 114 **NASDAQ Diary** CHI. VUILITIE: GASA, UPBN INIL; 189,361. B-YEAR FREINCH GOV. BONDS (MATIF) FF598,000 - pis of 100 pcf. Merr 111,30 111,46 111,46 111,46 112,26 Sep 107,58 109,58 109,58 — 0,24 Dec N.T. N.T. N.T. Unch. Close 1643 .15 1-4 1-13 .15 3-1 4-3 Deerbank Carp Quick& Reilly INTERIM 劉 Spot Commodities industrials REGULAR **Market Sales**

U.S./AT THE CLOSE

Consumer Outlays Up for 7th Month

WASHINGTON (Combined Dispatches) - Consumers, whose spending helped fuel a strong economy in the third quarter, continued to drive the expansion last month despite rising interest rates and the first decline in personal income in 10 months.

The Commerce Department said Friday that consumer spending rose 0.6 percent in November from October, for the seventh straight advance. But the report showed that personal incomes slipped 0.1 percent. It was the first drop since incomes fell 0.6

percent in January. A separate Commerce Department report showed that durablegoods orders in November rose a seasonally adjusted 3.4 percent from October, the biggest advance since a 6.5 percent gain in

August. In addition, the University of Michigan's consumer sentiment index for December rose to 95.1 from 91.6 in November, people with access to the report said. The preliminary December index, released two weeks ago, was 97.7. The index's base of 100 was set

Compaq Set to Be PC Market Leader

FRAMINGHAM, Massachusetts (Bloomberg) — Compaq Computer Corp. is expected to ship the most personal computers worldwide in 1994, knocking International Business Machines Corp. from the No. 1 position for the first time, according to the market research firm International Data Corp.

Compaq, which overtook IBM as the market leader in the U.S. as well, will ship an estimated 4.83 million units this year, capturing 10 percent of the worldwide PC market.

IBM will capture 8.7 percent of the worldwide market, followed by Apple Computer Inc. with 8.5 percent.

Orange County to Slash Employment

SANTA ANA, California (LAT) - Hundreds of Orange County workers are expected to lose their jobs in early January under a plan, passed by the Board of Supervisors, to slash \$40 million from the county's budget over the next six months.

On Dec. 6, Orange County became the first in U.S. history to

file for bankruptcy.

Judge Clears Delta in Pan Am Failure

NEW YORK (Bloomberg) — Delta Airlines was not responsible for the 1991 demise of Pan Am World Airways, sparing the airline from a potential \$2.5 billion judgment, a federal bankruptcy judge ruled Friday.

Pan Am Corp. and its creditors had accused the Atlanta-based carrier of abandoning a joint venture that would have resuscitated

the failing, venerable airline. The ruling provided a huge lift for Delta, the third-largest American airline, which is struggling to reverse losses exceeding \$2 billion over the past four years.

For the Record

BayBanks Inc. of Boston said Friday that it had agreed to acquire NFS Financial Corp. in a transaction valued at \$86 million in cash and stock.

Santa Fe Pacific Corp. and Burlington Northern Inc. on Friday began a \$1.26 billion tender offer for 33 percent of Santa Fe shares at \$20 each. The offer expires at midnight Jan. 30. (Bloomberg) Cotton prices soared by their two-cent limit for the second consecutive day on the New York Cotton Exchange, reaching 88.18 cents a pound, the highest since May 28, 1991. (Bloomberg)

WORLD STOCK MARKETS America 39% Avender 228 News Scotla 586 BE E BE E Steep Scotla 58% BE BE E Steep Scotla 58% BE E BE E Steep Scotla 58% BE E BE E Steep Scotla 58% BE E Ste 90707 3341.505744.44 44 536.50574 536.50574 6556.44 536.50574 656. ### (CBOT) | Some to minor control of the second of the se 22.00 112.20 12.20 197.70 23.76 132.30 132.30 132.30 132.30 132.30 43.50 AGA AF 67.50 67.50 ASRO AF 67.50 67.50 ASRO AF 535 539 ASRO AF 75.50 195.50 ASRO AF 75.50 195.50 ASRO AF 75.50 195.50 ASRO AF 75.50 195.50 AF 67.50 HIGRADE COPPER (NCAX) 2500 bits conto our in 140.00 25.75 Dec 14 134.01 23.00 134.00 134.00 139.00 25.75 Dec 14 134.01 134.00 134.00 139.00 25.75 Dec 14 134.01 134.00 134.00 139.00 25.75 Dec 14 134.01 134.00 134.00 139. 2.363 1.537 518 29.449 4.289 3.499 2.175 3.653 ## 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 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Birevs 94.9 94.73 Sasol 165 Costopositie Index : 5802.98 Previous : 5803.14 ##20T1C BBV | Sec Centrul Hiss. | 1192 | 3135 | Bonco Santonder | 5120 | 5200 | Boncoto | 5120 | 5200 | Boncoto | 5120 | 5200 | CEPSA | 3000 | 3791 | Enrorus | 13 | 134 | Ibertrate | 841 | 840 | Rescolo | 345 | 330 | Tobocariero | 3773 | 3460 | Teletonica | 1565 | 1545 | Previous | 291.85 | Previou -0.15 250 -0.27 2.443 -0.18 1,289 -0.15 993 -0.15 53 -0.15 53 -0.19 45 Frankfurt 150.50 150.40 SEL 265 255 Hold 267 2550 JAMES 250 166 JAMES 250 16 The Tokyo stock market was closed Friday for a holi--0.10 14.408 -0.17 8.974 -0.19 5.035 -0.18 1.180 -0.27 1.500 -0.27 1.190 -0.56 402 -0.56 50 300 300 430 430 440 440 440 440 Allegana Assitualio Autostrade priv Beza Agricolhara Beza Connetter Hall Beza Nez Lavoro Beza Peo Novara Banco de Rento Benetino Crecitio Indiano Enichem Auro Fertino Fista Servindo Fista People Indiano Fista People Fista Peop Toronto Abilibi Price 19% Air Conedo 5% Aiserio Enersy 18 Aican Aluminum 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Crédit Lyonnais To Sell Off Its **Brazil Bank Unit**

valued the bank's stake in

Banco Françes at about 700 million French francs (\$130

Stephan Arrouays, an analyst

at Barclays de Zoete Wedd in London, said, "this proves one

thing — banking assets are no longer excluded" from the

bank's asset-sale program.

"There are no taboos any-

When Credit Lyonnais made

French banking history this

year by posting a 1993 loss of 6.9 billion francs, it said it

would sell assets valued at 20

billion francs by the end of 1995

and embark on an ambitious

program of asset sales but

would not touch its banking ac-

tivities. It has predicted that

this year's loss will be about the

When the bank posted a first-half loss of 4.5 billion francs

after setting aside 8.9 billion

francs in reserves against risky

loans, it said it would speed the

asset-sale program and that

some banking assets might be

Banco Françes earned 142

million francs last year, up from 101 million francs in 1992. Dur-

ing the first half, the Brazilian

bank earned 110 million francs.

It is Brazil's second-largest bank

and has more than 50 branches

throughout the country.

more," he added.

same as last year's.

affected.

PARIS - Crédit Lyonnais Crédit Lyonnais had appointed SA, a troubled state-owned bank, is so desperate for cash ior all or part of its 54 percent

that it is putting a profitable stake in the bank. unit up for sale.

The bank said Friday it was

She declined to say how much Credit Lyonnais sought seeking a buyer for its Brazilian to raise. French press reports unit, Banco Françes & Brasi-

- Market Leader

n Pan Am Fallon

LAU IN Septim

Valérie Sehet, a spokeswom-

EU Unit to Rule On Restructuring Plan by Iberia

Compiled by Our Staff From Dispatches BRUSSELS - The European Commission has started examining a proposed \$1 billion restructuring package for Iberia Air Lines filed by Spanish au-thorities, a commission spokesman said Friday.

The commission is looking at an appraisal by the Spanish authorities of an earlier package of measures at Iberia as well as additional measures planned by management, including cuts in

The EU transport commissioner, Marcelino Oreja, wants the full commission to take a decision on Iberia before the present commission's and his own mandate expire, probably

in January, the spokesman said. After a strike by ground personnel last month crippled air travel in and out of Spain, Iberia did secure support from the

(AFX, Bloomberg)

Europe's Car Sales: Relief? Surge Is Brief Before Japan Enters Market

PARIS - A recovery under way in European car sales will bring only brief relief, for the industry must sharpen its competitive edge before the market in Europe is opened to the Japanese.

Europe's car sales, which plunged 15 percent last year, are expected to increase by about 5 percent for 1994 and slightly less than

that next year, analysts said.

The improvement may offer the best chance for European makers to prepare for more competition by consolidating, collaborating in ventures or expanding into faster-

growing markets, analysts added.

The industry has defied social and political pressures to slash payrolls - analysts estimated that the work force would be down nearly 20 percent by the end of 1995 from 1992 levels — but it still lags in productivity.

"There's a clear productivity gap between the Japanese and other regions, and then another fairly sizable gap between the United States and other regions," said Jonathan Storey, director of European Automotive Research. "The protectionism in the European car market allowed a suboptimal structure to

continue. "Now they must either consolidate or expand their sales outside Europe on the assumption that it won't be easy to expand in Europe with competitors coming in."

European Union limits on Japanese car imports are to be lifted in 1999. Japanese companies now control about 11 percent of the market, and analysts expect their share to grow.

"The European manufacturers are likely to lose market share in coming decades, and not just to the Japanese, but also to the Americans, through Chrysler, and to the Koreans," said Keith Hayes, an analyst at Merrill Lynch

in London. The French manufacturers PSA Peugeot Citroën SA and Renault are particularly vulnerable to a Japanese surge in southern Europe, a market that accounts for a big part of their sales and that has been the most protected region in Europe.

Among Europe's six biggest car makers, Volkswagen AG has the greatest geographic diversity in sales.

Peugeot doubled the share of its sales out-side Western Europe from 7 percent in 1992 to 14 percent in 1993 and aims to raise that to

Renault, which is state-run, and Italy's Fiat SpA are viewed as more regional and vulnerable, with Fiat mentioned frequently as a merger candidate. But the collapse last year of a strategic alliance between Volvo AB and Renault high-

25 percent by the end of the decade.

lighted the political difficulties involved in merging European manufacturers.

"There's a lot of nationalist feeling about carmakers, who are seen as strategic," said Keith Ashworth-Lord at the Daiwa Research

The improvement may offer the best chance for European makers to prepare for more

competition, analysts said.

Institute Europe in London. "That limits megamergers of the Renault-Volvo type. What there'll be more of is project-based collabora-

Several projects are under way. Volvo and Mitsubishi Motor Corp. are building a car in the Netherlands, Ford Europe and Volkswagen AG are building multipurpose vehicles in Portugal, and Peugeot and Fiat are build-ing multipurpose vehicles in France. Although these projects are seen as possible

precursors to bigger linkups, analysts said the upswing in the European market had reduced the likelihood of mergers in the near future.

"Shotgun marriages tend to occur when there's a threat of imminent bankruptcy,' said John Lawson, an analyst at DRI/Mc-

In contrast with previous downturns, European carmakers emerged from the 1993 recession with relatively low debt, he said.

Sis Div Yki PE 100s High Low Latest Cit'ge

Belgium Fires Phone **Executives**

BRUSSELS — The government Friday fired all the directors of Belgacom EPA, the state telephone company, as part of a reorganization aimed at facili-tating the sale of 49 percent of the company next year.

The dismissal Friday of the

managing director, Bessel Kok, and chairman, Benoît Remiche, had been widely expected. But the government decided to replace the board with 15 other directors who it hopes will gain investors' confidence.

This is a new board of directors, made up of strong person-alities," the Transport Ministry

The choice of Belgacom directors generally has been political, with each of the main parties nominating a member. The government says it wants appointments to be purely on ment.

"The government wants to distance the company from the world of politics," said Moniek Delvou, spokeswoman for Prime Minister Jean-Luc Dehaene. Michel Dussenne, the head of

Confédération Nationale de la Construction, the Belgian construction group, has been ap-

pointed chairman. ■ Turner Appeals TV Ban

Ted Turner has appealed a Belgian court order that blacked out his TNT/Cartoon Network, Reuters reported, quoting an executive of Turner

Broadcasting Systems Inc. A court in November threatened to fine the Belgian company Coditel if it did not stop airing the channel. The government said Coditel had broken Belgian law by broadcasting the channel in defiance of a government ban.

Investor's Europe FTSE 100 Index. GAC 40 3200 3190 1906 J A S O N D AEX 414.40 415.35 0.23 Ameterdant Stock Index 7,255.44 7,224.21 40,48 2,094.01 2,100.85 -0.32 Frankfurt: 784.46 786.18 -0.23 HEX - 1,813.72 1,794.72 \\41.06 Financial Times 30 2,376,36 2,374,70 - 0.19 FTSE 100 3,083,40 3,091,70 +0,27, General Index : 291,65 292,07 ... +0.14 MIBTEL. 10096 9,982,00 +1.14 1,949,85 CAC 40 1,952,05 0,11 Stockholm Alfaersvaeriden 1,855.92 1,856.78 0.05 1,052.50 -0.06 ATX intiex : 4,051,88 Vienne:

Very briefly:

level in four years.

SBS

Spain's cabinet adopted a law Friday to regulate cable television that could pave the way for a wave of foreign investment.

• Air France said it was in talks with the AMR Corp. unit American Airlines, among other airlines, on a possible alliance.

• Alusuisse-Lonza SA said its aluminum division was in cooperation talks with several aluminum companies.

 Nokia Corp.'s Nokia Telecommunications and Omnitel Pronto Italia have signed a long-term agreement for Nokia to supply infrastructure for Italy's second celluar telephone network. • West Germany's inflation rate was 3 percent in 1994, its lowest

• Italy's jobless rate rose to 12.1 percent in the fourth quarter, from Il percent in the third quarter and 11.3 percent a year earlier.

• Finland's gross domestic product rose 4.5 percent in inflationadjusted terms in the third quarter from a year earlier.

• A Deutsche Telekom AG subsidiary won the exclusive right to build and run a phone network for travelers flying over Germany. Resters, Bloomberg, WP, AFX, AFP

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Sis Div Yid PE 1995 High Law/Lates/Chige 12 Morth High Low Stock The composition of the compositi

Pay-TV Merger to Blanket Europe and Africa "The new structure will en-

JOHANNESBURG - Two Swiss-based holding company are forming one of the biggest pay-television networks outside America, they said in a state-ment published Friday.

Electronic Media Network Ltd., South Africa's only pay-television network, and its sub-ized by the end of February.

scriptions arm, MultiChoice, will merge their operations with able the group to compete effec-

The new company, PayCo, will have access to 43 countries in Europe and Africa and a subscriber base of more than 2 million households. The statement

South African concerns and a Swiss-based holding company Richemont SA to form a global tively with increasingly global competitors," Electronic Media's chairman, Ton Vosloo, said.

Richemont and MultiChoice already jointly control pay television interests through Net-Hold, which has 750,000 subscribers in various parts of

Richemont also has a 25 percent stake in Telepiu, with 600,000 subscribers in Italy. The statement said PayCo

would hold the three companies' consolidated subscription assets. It would be a wholly owned subsidiary of Network Holdings SA, in which Richemont would have a 50 percent (Reuters, AFP)

CURSITOR FUND

managed by CURSITOR MANAGEMENT COMPANY S.A.

R.C. Luxembourg B-45931

NOTICE TO UNITHOLDERS

Unitholders are informed that the Management Regulations of CURSITOR FUND dated December 30, 1993 have been amended on

Mainly, the modifications are as follows

- The settlement dates for subscriptions and redemptions will be the

- The subscription commission will be of up to a maxim

calculated on the applicable net asset value.

The initial subscription amount by a unitholder will be at least USD 2.000,000,- but the Management Company may reduce this amount if it

 Requests for conversions will only be accepted if they represent a minimum value of Units of 500,000, USD but the Management Company nay reduce this amount if it sees fit. These modifications are effective December 3, 1994.

These modifications will further be reflected in a revised prospectus of CURSITOR PUND available at the registered office of CURSITOR MANACEMENT COMPANY SA.

The Board of Directors of CURSITOR MANAGEMENT S.A

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Beijing Attacks U.S. Negotiator For 'Meddling'

Compiled by Our Staff From Dispatches
BEIJING — China launched was a demand far beyond the a personal attack on a U.S. trade negotiator Friday, saying his "arbitrary, freewheeling and meddling" posture had scuttled last-ditch copyright protection

An unidentified senior Chinese negotiator, quoted by the official China Daily newspaper, said the lead U.S. negotiator, Lee Sands, was blocking agree-ment by making demands outside the scope of the talks.

"He even asked China to revise its judicial and legislative laws, including the civil proce-

Financial Review **Delays Results** For Ailing MKI

HONG KONG - MKI Corp., the struggling manufacturer and computer distributor, said Friday it may delay releasing its interim results, originally scheduled for next week.

"The directors think it may not be appropriate to release the interim result to the public, in particular the shareholders, which may be misleading or not true and fair," the company said.

board meeting from Wednes-day to Jan. 26 because it had recently appointed Ernst & Young to undertake a critical review to evaluate the financial position of the company."

MKI's shares have been suspended since June, after the management made several market-moving announcements without first clearing them with the stock exchange.

Last week, the Securities and Futures Commission applied to have MKI liquidated, the first time it had taken such action against a public company.

The Hong Kong High Court will hear the application Jan. 11.

scope of our talks." Washington has given Bei-jing until the end of the month to prove it is enforcing its intellectual-property laws or face sanctions to compensate for \$1

billion in annual losses to U.S. companies from infringements. Talks were suspended Dec. 13, with a U.S. official saying Beijing still lacked the "political will" to curb copyright violations.

Song Jian, minister of the state commission of science and technology, was quoted by the state press Friday as saying China would continue to impose tough penalties on pirates. But he didn't announce any new initiatives to solve the

The newspaper said Mr. Sands had demanded standards of protection that even the United States could not meet.

"We are open to future negotiations, but we will not bend under any pressure," the newspaper quoted the negotiator as saying. "Sands insisted that the Chinese side should undertake all the obligations, while the U.S. wouldn't take any."
"We are disturbed to see ne-

gotiations on important trade MKI said it would delay its man from the U.S. Embassy

> He said the United States wanted to work with China on "many underlying issues which remain unresolved.

Wang Yong, the China Daily reporter who interviewed the negotiator, said he had sent a copy of his story to officials for approval and received the go-

"The Chinese side wanted to criticize Lee Sands for his approach," he said.

Mr. Sands was negotiating with Beijing in his capacity as assistant trade representative for China and Mougolia.

(Bloomberg, AP, AFP)

Japanese Investors Look Abroad Weak Domestic Earnings Prompt a Shift in Strategy

HONG KONG - Japanese investors. faced with slow earnings growth of domestic companies, are increasingly turning to other Asian equity markets, and that trend is likely to continue next year.

"It is relatively easy to promote Asian emerging markets to individual Japanese investors with the outlook for the domestic market not so attractive," said Seiyu Nakao, head of global strategy at Nomura Securities Co. in Tokyo. "I think Japanese money will have a very important role from now on in Asian markets."

A relatively stable dollar/yen ex-change rate and low price/earnings ratios in Asian markets after stocks slumped this year should encourage investment next year, analysts said.

This month, at least 13 Japanese securities investment trusts have raised between 200 billion yen and 400 billion yen (\$2 billion and \$4 billion) to buy stocks in Asian markets outside Japan, Mr. Na-

On Thursday, Yamaichi Securities Investment Trust Management Co. said it had begun to invest the 61.7 billion yen it had raised from the Japanese public for two Asian emerging-market funds.

"Our analysts are expecting 8 percent

Iida, a spokesman for Yamaichi. "This type of growth should translate into strong stock markets."

Some analysts had expected a wave of

Japanese funds to flood the Hong Kong and Southeast Asian markets this year after the establishment of a number of funds in late 1993.

But an unexpected rise in U.S. interest

'Our analysts are expecting 8 percent annual growth for Asian economies through the vear 2010,'

A spokesman for Yamaichi Securities Investment Trust Co.

rates beginning in February and the dol-lar's slide against the yen all but halted Japanese investment in Asia.

Japanese investors who did venture into Hong Kong, China and Southeast Asia in late 1993 or early 1994 ended up with significant losses.

Hong Kong's Hang Seng index of top annual growth for Asian economies shares has lost 30.3 percent so far this year through the year 2010," said Masakazu in Hong Kong dollar terms, and yen-

based investors have lost 37.7 percent. Pauline Gately, regional strategist at Smith New Court (Far East), said the slide in international bond prices this year had also forced some Japanese investors to pull back from Asian equity markets.

"Japanese institutions were badly burned in bonds, and the idea then was to get their money back home," she said. But the stabilization in many world

markets recently and the low P/E ratios at which many leading stocks in Asia now trade are enticing some investors.

HSBC Holdings PLC, owner of Hong-kong & Shanghai Banking Corp., is now at 84.75 Hong Kong dollars (\$10.95), or 7.7 times its projected 1995 earnings per share, according to IBES, a brokers' estimatting service. When the stock was at its high of 131 in February, it was at 13.5 times expected 1994 earnings.

Figures from Japan's Investment Trust Association show that the amount of trust fund money in Asia outside Ja-pan was 1.07 trillion yen in November, up from 557.3 billion yen a year earlier. Brokers say that Japanese and other

investors will chase Asia's high economic and corporate earnings growth. "If your own economy has gone flat,

you go and buy someone else's growth," said Nial Gooding, sales director for Kleinwort Benson Securities (Asia).

U.S. Investors See a Buying Opportunity in China

NEW YORK — Weakness in Chinese stock prices this year is being seen as a buying opportunity by U.S. investors. "Would I begin buying now? Yes," said Michael Holland, a partner at the, Blackstone Group and a director of the publicly traded China Fund.

The Credit Lyonnais index of Chinese stocks traded in Hong Kong fell 15 per-cent this year, while the index of 'B' shares, which are listed in China and can be traded by foreigners, has declined nearly 38 percent. Prices of Chinese stocks traded on the New York Stock Exchange also have dropped.

The fall in Chinese issues reflects inflation, concerns about the future of China after Deng Xiaoping dies and accusations that some state companies have not honored debts.

But now that those concerns have been priced into the market, Mr. Holland said.

the profit potential as China's economy to keep state-owned enterprises above grows still made Chinese issues attractive. water. About 44 percent of state-run

"From an investment opportunity, closed-end country funds are trading at a 5 percent to 15 percent discount to net asset value, including China," a New York-based mutual fund analyst said. Last year, most of these funds traded at a

Other investors said that while the short-term investor may not want to tamper with Chinese equities now, long-

term potential for gains exists.
"In the long run I think they'll have an economic explosion there," said Joe Glossberg, managing director of Gofen & Glossberg, a Chicago-based money management firm.

But the Chinese economic expansion will not come without growing pains, other analysis warned.

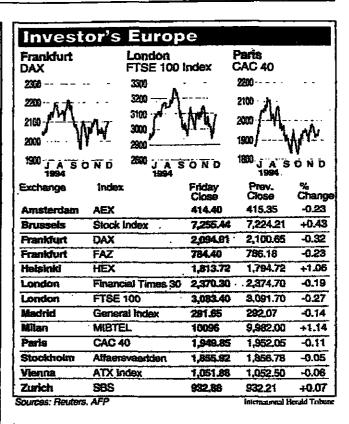
companies were running losses in the first nine months of this year.

"We maintain a relatively limited ex-posure to China directly," said Ralph Layman, vice president of international equities at GE investment. "We typically et business exposure through Southeast Asian companies. It's a cheaper way to position yourself through companies with proven track records and experienced management.

But some analysts said Chinese shares were likely to drop even further in coming weeks, presenting an even greater

"I promise you the market is going

down. And when it does, people should buy," said Jim Rogers, an author and Policymakers in Beijing have yet to former hedge-fund manager. "But no complete tax reforms and are struggling one should think of investing in it now."



Very briefly:

 Taiwan will give a "relatively clear" explanation of its policy on foreign investment in its stock market after the Lunar New Year, which begins Jan. 31, Finance Minister Lin Chen-kuo said.

 A Taiwan high court convicted James Oung, a businessman and legislator, in a scandal involving Kuo Hua Life Insurance Co.

• Time Warner Inc. approached Toshiba Corp. and Itochu Corp. for financing to buy an estimated 500 billion yen (\$5 billion) of U.S. cable-TV companies, the Nihon Keizai Shimbun reported. Taiwan's economy should grow by 6.8 percent in 1995, up from

this year's 6.1 percent, because of a rebound in the world economy, the government said. • Vietnamese tractor and engine factories are being threatened by

a flood of cheap tractors and diesel engines smuggled from China. the Saigon Newsreader reported. Agricultural Bank of China plans to issue \$150 million of samurai

bonds in Japan, the Xinhua news agency reported. • China's automobile industry grew just 3 percent this year because government cutbacks on luxury good purchases caused a slump in sales, the official China Daily reported.

• Chemical Co. of Malaysia is buying UPHA Pharmaceutical Manufacturing Sdn. and controlling stakes in its related companies for 58 million ringgit (\$26 million).

• China Foods Holdings said its net profit rose to 93.2 million Hong Kong dollars (\$12 million) in the six months to Sept. 30 from 16.6 million dollars a year earlier, helped by a 29 percent

• Hong Kong's government proposed legislation that would strengthen the Monetary Authority's central bank function by requiring all banks in the territory to maintain a clearing account with the authority. Bloomberg, AFX, Knight-Ridder, AP, AFP

Japan's Electronics Industry Emerges From 3-Year Slump

New York Times Service

creeping back from a long slump, registered an increase in production in 1994 for the first time tronic Industries Association of Japan. in three years.

The gain was due in part to a slight improvement in demand for electronics products in Japan, but mainly to strong shipments to the Unit-

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> 72 percent of color television sets made by Japanese companies were made outside of Japan, the

In the fiscal year that ended in March, 48 of sophisticated components t percent of consumer videocassette recorders and into final products elsewhere.

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Japan's total electronics production, down from Japan dropped about 17 percent from its peak in nearly 19 percent in 1988. Instead, Japan is 1991 to its 1993 level of 20,83 trillion yen (\$207 becoming a maker of industrial equipment and billion). In 1994, production is estimated to have

pan, but mainly to strong snipments to the United States and Asia of microprocessors and flat-panel displays to be installed in personal computers and other products.

But production of consumer electronics equipment in Japan fell nearly 9.7 percent in 1994 as Japanese companies shifted their manufacturing once of panel outside of Japan, the trade group said.

The figures, compiled in the association's annual production summary and forecast for the first time in computers, and by a lack of new hit products to ensure the eyear, single year, which makes Japanese exports less once there year slump in Japan's economy, by the trade group said.

The figures, compiled in the association's annual production summary and forecast for the first time in the year, highlight changes that have been occurring in Japan's electronics industry over time.

Japanese companies were made outside of Japan, the trade group said.

The figures, compiled in the association's annual production summary and forecast for the first time in follow the VCR and compact disk.

In areas such as computers and telecommunity to the trade group said.

Price cuts and deregulation helped spur demissing year, which makes Japanese exports less of three-year slump in Japan's economy, by the trade group said.

The figures, compiled in the association's annual production of computers, and by a lack of new hit products to compact disk.

In areas such as computers and telecommunity and forecast for the first time in follow the VCR and compact disk.

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The association forecast that an improved Japan's overall electronics industry, which economy in Japan would lead to growth of 2.2 once seemed unstoppable, has been hurt by the percent in 1995.

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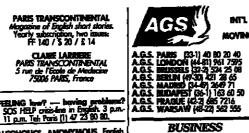
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Financiers Can Get It Wrong, Too

NDIVIDUAL investors may have their doubts, but the grand world of high finance has clearly decided that intermediaries are a good thing. The proposed deal between the U.S. investigation of the control ment bank Morgan Stanley and its smaller U.K. competitor S.G. Warburg failed because of the high price the financial world now puts on intermediaries, otherwise known as people who advise on or manage other people's money.

The proposed merger initially surprised the majority of analysis, who looked at the two banking operations and saw that the bigger partner was just going to get more of the same, but with a mild European flavor. Eventually, however, something closer to the truth emerged.

What interested Morgan Stanley was not so much a high-cost, low-margin banking operation, but Warburg's fundmanagement business. Unfortunately for Morgan Stanley, the minority shareholders in the fund management business held out for terms that the U.S. bank found unacceptable.

But regardless of success or failure in a single deal, Morgan Stanley has now shown its hand: It clearly wants to be part of the culture of OPM (Other People's Money). For a bank that has made millions from betting its own capital in the markets, this sudden move to acquire a major stake in the relatively risk-free OPM business of fund management is not

without its ironic undertones. There are several messages for the small investor in all of this. The first is that the fine minds at the control panels of institutions like Morgan Stanley clearly expect people to continue to entrust the management of their money to other people. Another is that the money managers must be able to do their business well, i.e., beat the market. Because if that doesn't happen, asset management businesses can quickly

lose their profitable luster. But there can be no guarantee of success. As the events of this mouth demonstrate, even high financiers can get it wrong.

M.B.

Discount Brokerages Jumping on the 'Go Global' Bandwagon

By Rupert Bruce

HE FACT that investors from Croatia, Jordan, Russia and Sri Lanka are calling up Fidelity Brokerage Services' London office to deal in international securities seems ample proof that the financial world is becoming a much smaller place.
Indeed, the trend toward globalization among institutional investors such as pen-sion funds has been well documented in

recent years. But a growing army of indi-vidual investors is also looking to join the international-market jet set. Fidelity Brokerage Services Ltd., a U.K. affiliate of Boston-based Fidelity Investments, is one of two discount brokerages hoping to capture this nascent market. The other is the British office of Charles Schwab Corp., the San Francisco-based

concern that has long been known as a leading discount broker. Discount brokers execute trades but offer no advice on which equities or other types of investments to choose. Their services, which are considerably less costly than those of full-service brokers, are highly sought after by investors who prefer to pick their own stocks, bonds and

other investments. Fidelity appears to have come the farthest in terms of offering accessibility to global markets, say analysts. Fidelity now Offers clients the capability to execute trades on 15 stock markets outside the United States and Britain. Schwab is less far along, with only one office outside the United States (in London) that services U.S. expatriates and European nationals who wish to buy U.S. securities or offshore funds. Schwab says it aspires to reach and then to surpass Fidelity's already wide range of services.

"I think that the service we are thinking about would give people the ability to deal on any exchange in the world in any currency," said Jack Wood, director of European administration at Schwab's London office. "If someone wants to deal in Singapore but wants to be able to do it from a Deutsche mark account, that is the llexibility we would aim to provide."

The discount brokerage concept took root about 20 years ago, first in the United States. Charles Schwab was a pioneer who burst into investors' consciousness through the medium of low-budget, latenight television commercials. Since then, Schwab's business has grown along with the number of investors who want to be Intermediaries

Page 15 The perils of money transfers Compensation for bad advice No-Load advisers Fund selection services

able to deal in shares, bonds, options and other investments without having to pay for expensive advice. Outside the United States, discount broking is most common

Justin Urqhart Stewart, business development and planning director at Barclays Stockbrokers in London, whose "Barclay-share" division is one of Britain's largest

The services of discount brokers, who execute trades but offer no professional advice on the markets, are sought by people who prefer to pick their own stocks, bonds and other investments.

discount brokerages, says such services in Britain were born out of the popular state privatizations of the 1980s and the "Big Bang" stock market revolution that took place in of 1986.

THE BIG BANG abolished the old system of fixed broker commissions, throwing the doors open to discount brokerages which set up cheap telephone-dealing rooms through which investors could sell their privatization shares at low commis-

The advent of international discount brokerages, however, is fairly recent. Fidelity set up its international office just south of London in 1987, but it was only in 1993 that it followed with the International Investor Service, specifically aimed at clients who wanted to invest in global securities markets. Fidelity says it serves about 2,000 foreign clients ranging from businessmen to soldiers to diplomats through this office, as well as some 23,000



Company	Minimum commission	Minknum desi	Commission on \$5,000	Commission on \$10,000	Hours of operation U.K.	Markets
Barclay's Overseas Service	1.5%	no	\$7 5	\$150	8 A.M. to 5 P.M.	U.K.
Fidelity	\$25 U.K. Trades \$29.50 + 1.7% U.S. Trades £100 Other Infl. Trades	na	\$50 U.K. Irades \$88.50 U.S. trades £125 Inti. Trades	960 U.K. trades \$109.50 U.S. trades \$134.90 Jak Trades	8 A.M. to 6 P.M.	17 countries /
Charles Schwab	.\$30 + 1.7%	no	\$89 U.S. trades	\$110 U.S. trades	8:30 A.M. to 6 P.M.	U.S.
Share centre	\$19	no :	\$52.5 U.K. trades	\$85.50 U.K. trades	8 A.M. to 7 P.M.	U,K,
Sharelink	\$38	no	\$89 U.K. trades	\$110 U.K. mades	8 A.M. to 8:30 P.M.	u.s.
Mansion House Hong Kong	\$25	no		on Hong Keng trades: ng Kong trades.	8:30A.M. to 4:30 A.M.	Hong Kong

Source: Company reports

Schwab opened its British office in February 1993. It declined to reveal the size of its client base, but said it expects to add a discount service in British shares to its existing business in 1995 and to progress

globally from there.
"I would think that pan-European would follow and then worldwide," said Mr. Wood. "Certainly, I know Mr Schwab is thinking of that."

One innovation to be introduced early next year, Mr. Wood said, is the "Street Smart" electronic dealing system which will allow investors in Britain, France, Switzerland, and Germany to deal through their IBM- or Apple Mac-com-patible personal computers at a 10 percent discount to normal charges.

Meanwhile, other British discount brokerages have been making modest en-trances into the world of international securities broking. In September, Barclays Stockbrokers introduced a service to allow investors from outside Britain to buy U.K. shares with a minimum of administrative costs, and Sharelink launched its "Liberty" service for overseas investors wishing to trade in shares of U.S.-based companies in March 1993.

But the vision of international discount broking is less compelling to Britons than to Americans, say some observers. Mr. Urqhart Stewart, for example, noted that discount brokerages make a profit be-cause they have high volumes of business passing through them. As yet, however, he is not convinced that the potential client base is large enough to warrant the launching by Barclays of a pan-European or international business.

He added that international investors wishing to trade in French stocks, for example, should never do so in denominations of less than £5,000 (\$7,750) because they would have to pay for foreign-exchange and custodian costs as well as brokers' commissions, Mr. Uruhart Stewart also thinks that the dearth of information on many global markets renders them a formidable challenge even for highly sophisticated investors who are accustomed to adopting an international per-

Fidelity's typical international client

has an investment portfolio of at least \$200,000, says the company, and is a U.S. or U.K. expatriate. Barclays' typical client is an investor who learned about shares during the British state privatization pro-

grams and who owns merely a handful.

EW analysts dispute that the day is coming when discount broking will be more international than it is now, But Mr. Urghart Stewart said he is awaiting a time when it is easier and cheaper to offer an international service before launching one. His British rivals at Sharelink are now negotiating alliances with overseas brokers to allow them to expand their services into various international markets.

Mr. Urqhart said he thinks a sort of supra-national market that trades above and alongside the existing exchanges may be created in Europe in the not-too-distant future.

The Money Report is edited by Martin Baker

Not Everyone Needs a Broker's Advice

By Aline Sullivan

HY pay someone to do a job that you would enjoy and could probably do just as well, if not better?

That's the thinking behind the decision of many private investors to manage their own share portfolios. Indeed, to defend their independent way of doing things, many such market players cite newspaper and magazine surveys which show that individuals with little or no market experience can outperform experienced, professional investors.

"Why pay someone to underperform the market," asked David Jones, chief executive of Sharelink, the discount stock broker based in Birmingham, England. "Investors can save a lot of money and get more enjoyment by making their own investments. They feel a greater sense of achievement and control."

That's only if they do well, of course. But many brokers agree that some private investors are knowledgable enough to pick their own shares, thanks to the plethora of investment information available. Such investors are most likely to run into trouble, analysts add, by not following the markets closely enough.

"Investors often do well for a while and then go away for a couple of weeks on holiday, forgetting all about their investments," said a New York-based broker who spoke on the condition of anonymity. People like that should really not be

running their own portfolios."
Investors sure of their commitment to a do-it-yourself approach should also be sure about how much money they are willing to lose, brokers say. Gavin Oldham, chief executive of The Share Centre, a discount broker based in Tring, England, suggests that first-time investors seek at least some professional advice before embarking on a solo journey through today's complicated markets.

"It is not a bad thing to have a word with a friendly accountant," said Mr. Oldham, "Investors need to keep a reasonable amount of their money in cash and maybe in government bonds. There is also a role for the more collective forms of investment. Only after they have satisfied their other financial commitments should investors start picking stocks."

Discount brokers such as Sharelink and The Share Centre provide execution-only services and do not make investment recommendations. Their commissions are invariably lower than those of full-service brokerage firms that execute trades as well as provide investment advice and research support on a wide variety of securities on both domestic and international markets.

Just how much lower is evidenced by the commission charges at Spartan Brokerage Inc., a discount share-dealing service operated by Boston-based Fidelity Investments that specializes in serving high-net-worth individuals. Spartan's charges are up to 86 percent lower than those of Fidelity's traditional investment advisory service. The catch is that the discount service is only available to wealthy and active investors.

"Spartan only accepts clients making more than 40 trades a year," said a Fidelity spokesman. "We suggest that investors who are not active traders take advantage of our portfolio advisory services."

Most brokerages offering both full and discount services provide a range of literature designed to assess an individual's best investment strategy. Investors with the time and inclination to study these and the financial press are likely to make sensible investment decisions and enjoy running their own portfolios, some discount bro-kers say. Such investors will also save substantially on commissions.

"The only people that should matter are the investors and the management of the company they invest in," said Mr Oldham. "That is what it is all about. Everyone else is a middle man."

Of course, not everyone is so enthusiastic about do-it-yourself investing. Stuart Valentine, head of research at Proshare, a London-based organization set up to encourage private share ownership, believes that investors should seek professional advice. "They may not do better with professional advice but at least they will avoid the most obvious pitfalls," he said.

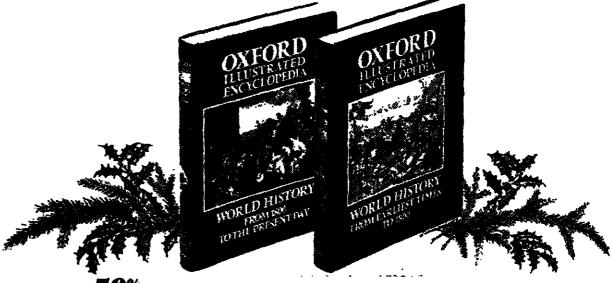
As most investors know, however, professional advice can also mislead. Indeed, sometimes the worst course a private investor can take is to seek professional investment advice - the bargain-basement kind that, more often than not, turns out to be bad. The Nasdaq exchange in the United States, for example, warns of a wide range of dubious practices that are unlikely to be encountered at the betterknown (and more expensive) stockbrokers, but which plague the bottom end of the market.

RAPS identified by Nasdao include guarantees that particular investments are foolproof, and promises that sales representatives will share in any losses on the investor's account. The rule of thumb is: If it sounds to good to be true, it probably is.

But investors who pick their own stocks avoid excessive "churning" by brokers on their accounts, Because investment advisers are usually paid by commissions on share transactions, critics say, they may urge investors to make portfolio changes even when it is really in the investors' best interest to sit tight. Why? In order to generate commissions for themselves.

But while many investors are sophisticated enough to watch out for that sort of thing, those that aren't often learn the ropes the hard way. "There are always some misguided people, but they usually find that out for themselves," said Mr. Oldham. "People tend to find out through experience if they aren't doing it right."

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Discretionary Management Comes at a Premium F direct investment in est portfolios, the absolute tors need to be sure that they little experience in your target

shares sounds complicated and too much like hard around \$75,000. work, you may be better off delegating responsibility to a "money doctor," or discretionary manager, who will make the investment decisions and negotiate the deals on your be-

But before putting your feet up and waiting for the capital to accumulate, it is worth mentioning that some major stock broking firms, where some such money doctors practice, may not be interested in your business unless you have at least \$250,000 to invest. Indeed, some private bankers will only look at clients with \$1 million to

And while it shouldn't be difficult to find a stockbroker who is willing to handle more mod-

spreads, and the need for portfolio diversification tends to work against the smaller inves-

The cost of a full discretionary management service can be daunting. Expect to pay an annual management fee of at least i percent to 3 percent of the portfolio's value, as well as a would only be paying for the account transactions.

With so much at stake, inves-

minimum is usually pitched at are buying quality manage- investment markets.

would not make practical sense," says Alan Albert, a senior manager for Merrill Lynch Global Asset Management in London. "Dealing costs, many managers skirt the issue by saying that past performance record, many managers skirt the issue by saying that past performance is not necessarily a reliminance of their services. At Merrill Lynch, manager selection as part of their services. At Merrill Lynch, manager selection as part of their services. At Merrill Lynch, manager selection as part of their services. mance is not necessarily a reli-able yardstick," said Robert Burdett, a senior fund manager at Berry Asset Management in London. "This is a cop-out. Investors should always insist on seeing a sample of ongoing portfolios which match their own investment objectives."

A natural temptation is to opt for the cheapest service available. But low commission percentage of the transaction charges may mean that the brovalue for each deal. With an ker is less willing to carry out execution-only service. you extensive research. In addition, there isn't much point in choosing a relatively low-cost service

Management selection is nev-"When pressed to elaborate er easy, yet it is probably the for example, a consultant will help you articulate your investment needs and strategy before choosing a portfolio manager from a pre-selected roster. The service, called "Consults," also includes quarterly performance cvaluation, safekeeping of securities and an automatic sweep of uninvested funds into a moncy market account.

> The service is aimed at investors who have a minimum of \$100,000 to invest in shares.

> > —Barbara Wall

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THE MONEY REPORT

BRIEFCASE

Money Transfers Are Quick but Costly

By Barbara Wall

HE trend toward electronic banking is revolutionizing global financial services, but customers may still be short-changed when they tap into the international moneytransfer network.

A recent survey on international money transfers sponsored by the European Commission reported that transfer costs were excessive. The survey was especially critical of "double charging," noting that the practice was "widespread" and that once all costs were tallied consumers could easily pay more than 10 percent of the transfer amount in bank commissions and charges. Double charging refers to the common situation in which both the sending and receiving entities charge the consumer.

For example, a simple telegraphic transfer of £260 (\$405) from Barclays bank in London to Credit Lyonnais in France would cost around \$44. Barciays quoted a charge of £18 (\$28) for the transfer and Credit Lyonnais said that it would charge 88 French francs (\$16.23) for handling the transaction at the other end.

Moreover, costs vary widely depending on the country. According to the survey, the cost of sending urgent transfers of 100 European Currency Units (\$121) ranged from an average of 16 Ecus in Luxembourg to 33 Ecus in France.

Even the major U.S. banks, which claim to be far ahead of their European counterparts in money transfer technology, can be costly when small international cash transfers are involved. Citibank in New York, for example, quotes a flat rate of \$27.50 regardless of the sum being transferred. This looks competitive if one is transferring fairly large amounts, but once the cash transfer drops below \$500, the cost starts to look hefty.

Citibank customers can, however, make the request for a transfer over the telephone, which speeds up the process. Most European banks ask customers to request a money transfer in writing, which can be a nuisance if the cash is needed urgently. Robert DeRosa, president of Citibank's

overseas personal banking division, says that the cheapest and most efficient way to access funds abroad is through the ATM network. Citibank does not charge a fee for its ATM service provided the client maintains a balance of \$6,000 in the account and the ATM is affiliated with Citibank. Other banks charge either a percentage of the transfer amount, typically 2 percent, or a flat fee.

If the bank has a fairly strong interna-tional presence, the ATM network can be efficient and relatively cheap. But it is not always practicable. If your cards are stolen, or you need to send money out of the country, some other cash transfer method will be needed.

Western Union, which has branches in over 80 countries, offers a same-day money transfer service for emergencies. "If a client needs money urgently, a relative can pay the amount into their nearest Western Union agent and this can be collected from a recipient agent within 10 minutes." said Jackie Kearney, general manager for Western Union in Britain. "As the agency network includes grocer shops, travel bureaus, pharmacies and even bars, our clients can access their funds late at night and on weekends."

The service offered by Western Union is not cheap, however, with costs ranging from \$18 to \$155 depending on the transfer amount. According to Miss Kearney. the average transfer amount is around

Interna	itional	Money	Tra	nsfei	'S	
Provider	Availability	Agents	Delay	Account with provider	Cost (4)	Maximun transfer
American Express Monsygram	70 countries	Amex breaches	auto.	no	\$100-\$300=\$35 \$300-\$500=\$40 \$500-\$100=\$70 \$5,000-\$7,150=\$15	\$7,150 0
Barciays Bank F/C draft (1)	worldwide	tnost bentos	7 days	yes	£12	\$7,500
Telegraphic transfer	worldwide	nost	2-4 days	no	\$27-\$53	.10
Citibank (US)	worldwide	most banks	48 hrs.	yes	\$27.50	no.
Cooperative Tipa Net (UK)	France, Belgium, Germany, Italy, Canada, U.S.	CCP8 CNCP 4 Netl. barries BPWBPV CCJ BTBNY	3 days 5 days 7 days 8 days 7 days 7 days	NO.	25 (\$7.50)	THE .
Eurocheque	worldwide	most beinks	varies	yès.	52-3 (\$4) (2) 55 (\$7.50) (2)	Ecu 100
NatWest Relay (UK)	Germany Italy France U.S., Can. Spain, Den. Port., Ire. Netherlands	Commerciaents Crecito Italiano Société Générale	6 days	yes	£9 (\$14)	\$3500
Royal Bank UK (IBOS)	France, Spain, Portugal Belgium U.S.	CCF Benco Sentender BCI Krediet Benk First Fidelity	auto.	yes	£7-£18 or (8)	n/a.
Western Union	90 countries	24,000	auto.	n/a	stiding scale \$18 to \$155	90

Denke average is 1.6% (3) Charge tevied by receiving bank: France-44FF, Spale=0.2%, Portugal=100 securios (4) Separate charging program by transfers to South Attentos.

Abbreviations: Auto.: Automatic. - CNCP: Calege Hallonals de Crédit Professionale. - CCPB: Calege Hallonals de Barque Populaire. - BPM: Barno Populaire di Millano. - BPV: Barno Populaire di Vanazie. - CCF: Crédit Commercial de France.

The idea is that both corporate and retail

customers can operate two or three sepa-

rate accounts under the IBOS umbrella.

As well as same-day money transfers, cli-

ents can access money electronically on

balances in their accounts, order pay-

ments and account transfers, and place

standing orders to transfer funds between

There is a wider choice of services avail-

able if you are prepared to wait a few days

for delivery of the funds. National West-

minster Bank in Britain offers a fixed-

price, fixed-delivery service to account

holders. The service, called NatWest Re-

lay, is aimed at customers who need to

the equivalent of \$3,500 in local currency

directly to a recipient's bank account in

any participating country for a flat fee of

£9. The bank guarantees payment within

six days, although a company spokesman said that most payments within Europe

The Tipa Net service, offered by part-ner banks of the U.K.-based Co-Opera-

tive Bank PLC, is available both to ac-

count holders and to the general public. A

flat fee of £5 is charged for all cash trans-

fers, and the transfer time varies between

three days and eight days depending on

international cash transfers, as the money

could be sitting in limbo for up to a week

when it should be earning interest," said

Francis Walker of Co-Operative Bank in

"Tipa Net is not really suitable for large

NatWest Relay clients can send up to

make regular payments abroad.

arrive within four days.

the country.

bank NV in Belgium.

\$450, which generates about \$38 in

Another cash-transfer service is the American Express "Moneygram." The service is available at more than 12,000 locations in 70 countries, with transfer fees ranging from \$35 to \$150. American Express has recently extended its service to South America.

Perhaps the most innovative transfer system currently available in Europe is the Inter-Bank On-Line Service (IBOS), an electronic banking network that can zap funds between banks around the globe in seconds. The service is a joint venture

A recent survey on international money transfers sponsored by the European Commission reported that transfer costs were excessive. Once all costs are tallied, consumers can pay more than 10 percent of the transfer amount in bank commissions and charges.

between Spain's Banco de Santander SA, the Royal Bank of Scotland PLC, the brokerage Goldman Sachs & Co. and

U.S.-based Electronic Data Systems. 1BOS, which is available to customers of the Royal Bank and its affiliates in France, Spain and Portugal, costs \$10 to \$27 depending on the transfer amount.

Perpetual is Launching a Latin American Equity Fund It has been a less-than-vintage year for many emerging markets, but the mutual fund opportunities to invest in them keep

Coming.

One of the latest comes from U.K. mutual fund manager, Perpetual, which is launching an offshore vehicle investing in Latin American markets. The fund is sceking capital growth through the larger stock exchanges of Argentina, Brazil, Mexico and Chile, and will also commit money to Colombia and Peru. The managers will also look at opportunities in

Uruguay and the Caribbean."

Despite the difficulties experienced in 1994, Perpetual argues for the investment merits of the region. It cites "an encourag-ing background of reducing inflation, increasing growth and the introduction of more free market policies." The managers also believe that a new era of political stability has begun in the region.

"The fund is targeted at experienced investors," says Perpetual. "It will appeal to anybody who acknowledges the intrinsic risks in any emerging market, but is aware of the potential for excellent re-

The minimum investment is \$2,000, and the fund, which is domiciled in the Chan-nel Island of Jersey, begins trading on January 31, 1995. Investors who apply for shares between January 16 and January 31 will receive a bonus of 2 percent. Charges

run at 5.25 percent initially, with a manager's fee of 1.5 percent annually.

For more information, call Perpetual in Jersey on (44) 534.68448; fax (44) 534 38918. Or write Perpetual Unit Trust Management (Jersey) Limited, P.O. Box 459, d'Hauteville Chambers, Seale Street, St. Helier, Jersey JE4 8WS, Channel Is-

GT Management is Bullish On Investments in India

If Latin America is not your preferred option, GT Management is offering an-other exotic possibility for emerging mar-ket enthusiasts: Indian small companies. A newly lannched open-ended vehicle quoted on the Dublin stock exchange is investing in "small, high-growth, niche-product Indian companies." The sectors the fund will concentrate on include hightech companies, manufacturers and retailers of consumer products, and manufacturers of components used in the automobile, telecommunications and

power generation industries.
"We believe that India will continue to provide a tremendous investment oppor-tunity for investors," said Sir Marc Cochrane, director of European marketing at

"Deregulation, which is still ongoing, has freed up the economy; industrial production and export growth have both increased dramatically; domestic consumption is up and foreign businesses are investing again in India. Small companies are under-researched, undervalued and under-owned, yet have the ability to exhibit rapid growth rates," he added.

The fund will invest through a wholly-

owned Mauritian subsidiary company to minimize Indian tax liability on non-domestic investment. Minimum investment varies according to the class of share

For more information, call GT Management in London on (44.71) 710.4567, or call Ludgate Communications on (44.71) 253,2252.

ExpaCare Offers New Plan For Expatriate Health Care

ExpaCare, an English subsidiary of Jardine Insurance Brokers, has launched a new health care product "available to all expatriates of all nationalities in all countries of the world."

The plan offers two levels of care. The lower level provides "essential basic cover," the higher "virtually every conceivable medical expense."

The plan can cover separate geographical areas: Europe only, worldwide, or worldwide excluding the United States, Canada and the Caribbean.

For more information, write ExpaCare Insurance Services, Dukes Court, Duke Street, Woking, Surrey GU21 5XB, England. Or call (44) 1483.740090.

Next Week in the Money Report: A yearend review of global bond markets.

Is There Redress for Bad Market Advice?

By Digby Larner

Several new banks have recently been added to the network, including First Fi-delity in the United States and Krediet-OMING to terms with foreign business customs and overcoming language barriers are just two of the many problems facing A spokesman for IBOS said: "IBOS aims to be a full cash-management service.

expatriate investors.

Not surprisingly, getting over these hurdles often leads investors to use local intermediaries to manage money on their

But what if the intermediary you choose only saves you from making a shambles of your investment by making a shambles of it for you? Will someone be there to help pick up the tab or will your money simply disappear without a trace?

The amount of compensation paid to investors who lose money because of poor advice, outright fraud or the collapse of an intermediary's business varies widely between countries. Finding out where investors are best-protected can therefore be a

David Smith, a director at the fund concern Flemings (Jersey) Ltd., said that, as a general rule, the older, better-established finance centers tend to be the most

"The newer offshore locations should be treated warily," he said. "Investors need to be assured that appropriate degrees of legislation exist and that the peo-ple they deal with are properly regulated." On this basis, places like Jersey, Guernsey, Luxembourg and the Isle of Man would qualify as safe offshore centers around Europe, experts say.

But some of the more heavily regulated areas tend to concentrate on prevention rather than cure and have little back-up should a rogue intermediary slip through the net, say some analysts. Jersey prides itself on keeping out the likes of the failed bank, BCCI, for example, but it has no investor compensation scheme.

Hong Kong, whose investment industry is kept tightly in check by the Hong Kong Securities and Futures Commission, is vague on the subject of compensation. The SFC's spokesman, Cathy Ho, said Hong Kong's stock and futures exchanges both have compensation funds but she declined to say how much they would pay out and under what circumstances.

In the European Union, the level of investor protection is uneven, said Bill De Lucy, a sales director with the fund manager Guinness Flight in London. "In Germany, regulation is poor but improving. while in Italy, it is almost non-existent,

Many observers say that by the end of 1995, all 15 EU states should have laws in place to guarantee a minimum of 20,000 European Currency Units (\$24,200) compensation for investors who lose money because of the collapse or illegal activity of an intermediary. Individual EU countries will be free to have farther-reaching laws if they wish, add some.

The United Kingdom currently has one of the most comprehensive plans. Its Investors Compensation Scheme was set up in 1988 and covers private investors for up to £48,000 (\$74,880) of the first £50,000

they invest. For foreign investors, the U.K. plan has some clear advantages over the minimum standards proposed in the EU. One is that it applies to anyone with U.K.-based and U.K.-authorized investments, regardless of their nationality or country of residence. The EU plans only to protect EU residents, said David Cresswell, the Investors Compensation Scheme spokesman in

"The European Union is only really concerned with matters effecting its citizens," he said. "Whether or not individual countries' schemes will include foreigners

is up to them." The U.K. scheme is also unusual in that it covers investors against bad advice. Under most existing plans and the European Union's proposed arrangement, investors only receive compensation if an intermediary defrauds them or if the company whose shares were bought collapses.

Indeed, a high number of U.K. investors are currently seeking compensation for allegedly being wrongly advised by intermediaries to buy private pension plans instead of joining or remaining in their employers' pension plans.

According to figures from the U.K. consulting actuary Bacon & Woodrow, 450,000 people have so far opted out of U.K. corporate pension plans while up to l million have taken out personal pension plans instead of joining a corporate scheme in the first place.

Martin Miles, a consultant with Bacon & Woodrow in London, said that a high proportion of these people may have been wrongly advised: "There are very few circumstances where a private scheme offers more benefits than a good company scheme," he said.

If any of these claims is upheld and the advisers involved are unable to pay back all the money their clients are considered to have lost, the Investors Compensation Scheme will step in. Some estimates put the eventual cost of a potential claim at £2

From 1996 on, intermediaries in EU member states. This, says Mr. Cresswell, will make it harder to decide which compensation plan should pay out if something goes wrong:

"You could have a Greek intermediary in France selling a Portugese investment to a Dane," he said. "Under those circumstances, it could be very difficult to work out under which country's jurisdiction a claim would come."

Fund Selectors Help You Choose

ONFUSED by choice of funds on the market today, many investors are turning to fund-selection services or unit-trust portfolio management services for practical help.

The underlying assumption of a fund-selection service is that professionals are better able than most investors to monitor the markets and to make informed fund choices. But does that assumption always hold true? And if it does, is it worth the expense? These are still open questions, analysts say. Duncan Hickman, man-

ager of portfolio services at ANZ Grindlays bank in Jersey, contends that a professional is often better able than an amateur to spot important developments in the markets that might influence the advisability (or otherwise) of buying into a fund.

A management changeover, for example, can have a disastrous impact on a fund's performance," he said. "As we keep close tabs on the markets, we can usually react quickly to the latest news. The average investor is unlikely to hear about an important turn of events within the fund or management team until it is

Geoffrey Bailley, director of investments at Lloyds Bank in Jersey, says that a professional may also be able to negotiate discounts on fund purchases. "As these discounts are often rebated back to the client, the client may end up getting the fundselection service more or less free of charge," he said. "Few private investors are able to negotiate discounts unless they are buying in

Server Server

Brent Perry, manager of portfolio management services at the private banking concern Morgan Grenfell in London, warns investors to read a fund's marketing brochures carefully.

"Investors in unit trusts can expect to pay an annual fund management fee and an initial charge, which is the difference between the bid and offer spread, to the fund management group," he said. "The latter charge works out at about 6.5 percent of the investment.

"In addition, a 1 percent fee will typically be levied by the fund-selection service minus any commission rebates on unit trust purchases.

Mr. Perry warned that investors should beware of services that quote a 4 percent initial charge on the understanding that the service will deal "net" in the

"Clients automatically assume that they will not be liable to any unit trust charges because the service is dealing net," he said. "In reality, the fund selector rebates about 3 percent of the spread and leaves the client to pay the remaining 3.5 percent, so the client is still paying about 7.5 percent in charges. The investor is not really gaining anything on the deal."

Mr. Bailley said that a fund selection service is really only worth it if it adds value to a client's portfolio. "If the chosen funds are top performers. then the fees become irrelevant," he said. "The problem is identifying the services which offer quality and value for money.

According to Robert Burdett, a senior fund manager with Berry Asset Management in London, the U.S. fund-selection indus-

try is much more developed than its European counterpart. "Most American fund selectors provide regular tip sheets with 'buy' and 'sell' recommendations as well as performance details," he said.

"In Europe, the selector's job is considered fin-ished when a 'buy' recommendation has been made. Clients of European fund selectors are rarely informed when to sell an investment, and this is where fund-selection services fall down and ongoing discretionary management comes into its own."

It is also important to ask about the criteria that selectors use when choosing a fund, note analysts. Mr. Burdett says that a good selection service will look at the whole picture and avoid picking funds on the strength of one year's

outstanding performance.
"A fund may have shown excellent results because the manager happened to have hit on one good stock, but in other years the fund's performance may have been lackluster," he

investors should also note that not all fund selection services are independent. Some groups, including Kleinwort Benson, Fidelity Investments and Hill Samuel, offer their own managed funds.

Mr. Bailley said that no matter how good a fund management group was, the likelihood of all of its funds being top performers "Even if a group's funds

are currently performing

well, there may come a time

when the performance tails

off." he said.

-Barbara Wall

By Judith Rehak THE NO-LOAD mutu-

al fund is a uniquely American success story. Sold directly to investors without a commission paid to a broker, no-loads now number about 2,000 out of the 5.000-plus funds in the United States, accounting for a hefty 31 percent chunk of the \$2.2 trillion in industry assets.

The downside to no-loads is that investors must do their own homework when selecting a fund, since advice-giving bro-kers typically don't deal in the no-load realm. Moreover, choosing a fund in the rapidly expanding and increasingly diverse no-load universe is becoming more complicated every

Enter a new breed of intermediary to bridge the information gap: the independent, no-load fund adviser.

Such individuals range from money managers to "fee-only" financial planners (who work directly with investors for a fee based on a percentage of assets) to newsletters that offer information and advice on when to buy and sell.

No-Load Advisers, the New Breed of Financial Intermediaries down to about 20 funds, then look at their portfolios and talk with the managers about how they make 'buy' decisions, and then we'll test-drive the fund for awhile," says Steve Janachowski of Brouwer and Janachowski, a San Francisco investment adviser. Once a fund is chosen, "we watch it like a hawk," he continued, noting that his conservative clientele favors "middle of the road"

"They don't want to swing for the fences," he said. "They just want solid returns."

Strategies among no-load advisers can differ widely. Robert Markman, a Minneapolis money manager who oversees \$300 million in no-load funds for his clients, says he tries to create a hybrid portfolio that blends three approaches: a "buy and hold" portion that includes vehicles such as The Yachtman Fund, which owns large U.S. companies; a segment that targets sub-markets (currently real estate); and a small portion in cash devoted to market timing, where he can quickly seize opportunities.

Mary Malgoire of Malgoire

"We narrow the universe and Drucker Inc., a Bethesda, Maryland financial planning group, uses a no-load fund portfolio as part of an overall financial strategy. Her preference is to allocate her clients' cash among 10 to 15 funds, with a core holding in a solid, lowcost index fund such as the Vanguard S&P 500, which buys and holds big-name companies. Miss Malgoire places a

London.

strong emphasis on asset allocation. "You can say, 'Gee, our international fund went up 35 percent, but if you only had 5 won't get the rate of return you hoped for, she points out.

But a minimum account for nual fees that typically start at about 1.5 percent of assets an-

For investors who don't happen to have such sums to plunk down for personalized advice, a less costly avenue for information is the no-load newsletter. Roughly half of the 160 invest-

newsletter, for example, suggests three "lifestyle" portfolios of nine funds each, targeted at building net worth, pre-retirement income and post-retireyear, its editor, Sheldon Jacobs. helps his readers decide how to allocate their cash among funds and when to buy and sell.

X, a San Francisco newsletter, classifies funds into four catepercent of your cash there you gories by risk, from "most speculative" to a conservative "total return." It then uses a quantitative system to target top perthese advisers runs from formers in each group. It sug-\$200,000 to \$500,000, with an-gests that investors gests that investors continuously upgrade by selling losers and buying winners. The publication, which also costs \$119 a year, also comments on individual funds and answers

questions from readers. A recent arrival on the newsletter scene is FundsNet Inment letters followed by the sight, a Wellesley, Massachu-Hulbert Financial Digest, a Vir- setts publication that offers ginia-based publication that advice and model portfolios rates financial newsletters, are based on "no-transaction fee" devoted to selecting no-load funds sold through the Schwab and Fidelity discount broker-

The No-Load Fund Investor ages. Under this concept, funds from an array of families, both no-loads and some which normally carry a commission, are sold without a fee.

"We think that no-transacment income respectively. For a tion funds are a revolution in subscription price of \$119 a the mutual fund business, with the caveat that it's making the number of choices overwhelming," said Eric Kobren, editor of FundsNet Insight. "Investors' heads are spinning, so I act By contrast, No-Load Fund as the strainer.

Mr. Kobren launched the newsletter after market research revealed that 70 percent of the subscribers to Fidelity Insight, his newsletter devoted exclusively to Fidelity funds. owned funds from other families. A one-year subscription to FundsNet costs \$177.

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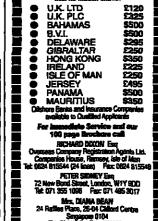
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A Newly Drawn 'Steel Curtain'

By Leonard Shapiro

PITTSBURGH -- Not long after Neil O'Donnell had finished a postgame interview in Three Rivers Stadium, the quarterback rounded a corner and bumped into Ron Erhardt, the team's offensive coordinator. Both men were smiling, and their warm hug spoke volumes about the affection and respect they have for each other.

But in this tough town, where the Pittsburgh Steelers' every accomplishment in the 1990s is measured against the legendary four-time Super Bowl champion teams of the 1970s, the populace was still not quite ready to embrace O'Donnell. However, after an almost-flawless, no-interception performance in the emotional 17-7 victory last Sunday over the Cleveland Browns, which won the AFC Central title and the home-field throughout the playoffs, that could change.

"I don't know if the pressure will ever be taken off me here," said O'Donnell, a five-year veteran. "It's been an up-and-down year for me personally. My father passing away (in June) and now us winning the division. But the coaches stayed with me, and I tip my hat to them."

And now, all of Pittsburgh is doing the same to the Steelers, 12-3 with seven straight victories going into the game Saturday at San Diego and clearly the favorite to represent the American Football Conference in the Super Bowl. Only one team. the 13-2 San Francisco 49ers, has a better relying on gimmickry to get it done, no one

Dallas Cowboys, to a man the Steelers believe they belong in that company.

"It really doesn't make any difference what you do right now," said Bill Cowher, the 36-year-old local boy now made very good as the team's fiery head coach. "The bottom line is who wins that last game in late January. That's the measuring stick you should go by."

Still, this team has taken great strides, particularly its defense, now ranked No. 1 in total and pass defense in the NFL. It has set a club record with 55 sacks, also best in the league, and linebacker Kevin Greene's 14 sacks also sets the standard for every other pass rusher this year.

But unlike the Mean Joe Greene, "Steel Curtain" Steelers of the 1970s, this modern version has been holding teams down with blitzes from all parts of the field and occasionally employing six defensive backs. Linebacker Greg Lloyd can rush from the outside, or drop back into pass coverage; cornerback Rod Woodson or safety Carnell Lake can come crashing toward the ouarterback.

The bottom line is that teams have had a difficult time figuring out just when and where the Steelers are coming from in defensive coordinator Dom Capers' scheme. While there has been some talk around the league that the Steelers are

record this season, and despite all the talk about the dominance of the 49ers and 12-3 year's hot young assistant, is also being talked about as a possible candidate for the head-coaching job of the expansion Carolina Panthers next year.

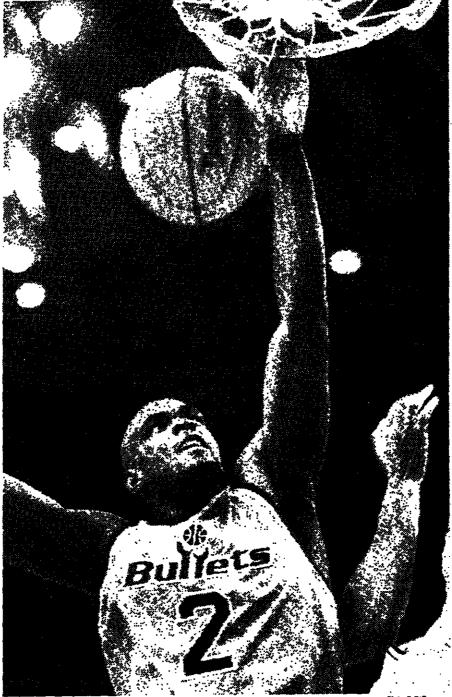
There are critics who say "that we do it all with mirrors," said Kevin Greene, a Hulk Hogan lookalike with flowing blond hair and a style of play that is way beyond reckless abandon. "It just motivates us to get in their face."

Greg Lloyd, his bookend, plays the game in full rage as well. Against the Browns, Lloyd had to be helped off the field three times with various injuries. And three times, he returned to the field.

"You throw your body around out there, and you pay a price for it," he said afterward, not long after someone asked him, "Where doesn't it hurt?"

"All I know is this defense has done the job all year," said cornerback Tim McKyer, who started in Super Bowl XXIII for the 49ers at Joe Robbie Stadium in Miami — where Super Bowl XXIX will be played next month. "Hey, that's right, dėja vul for me going back to Joe Robbie and maybe playing against them, too. That would be nice.

"I'll take my chances on this team being there. This defense is as good or better than any defense I've ever been part of. It's a calculating defense, the guys are tough and hard-nosed. Every time we need a play, someone comes up and makes it.



Chris Webber slammed home two points before separating his shoulder.

Webber Hurt, Out for Weeks

OAKLAND, California - Chris Webber did not expect his first game against the team he starred for last season to go smoothly. But he did not expect it to be so

Webber, traded to the Washington Bullets on Nov. 17, dislocated his left shoulder in a 107-87 loss to the Golden State Warriors on Thursday night.

Last season's rookie of the year in the National Basketball Association is expect-

ed to miss six to eight weeks. "I was definitely scared, but I'm blessed and I'm young and there's no reason for me to get down," Webber said.

He had 14 points and 7 rebounds before he was injured with 9:25 left in the third quarter and Washington trailing by 56-54. While chasing a loose ball, Webber seemed to take an awkward step and crashed to the floor. As he lay in pain, some fans jeered him.

"They were just getting their feelings it." Webber said. "But some son is watching his father cheer someone getting hurt. What kind of a role model is that?" Webber, who fended with Golden State's coach, Don Nelson, was sent to Washington for Tom Gugliotta and three

first-round draft picks. Gugliotta had 18 points and 13 rebounds as the Warriors snapped a 10-game losing streak and handed the Bullets their eighth consecutive loss.

"I think any player who gets traded away wants to play well against the team they get traded from," Gugliotta said. Webber had to be helped off the floor

and into the locker room for treatment, but returned to the Washington bench in street clothes to watch the last few minutes of the

"I did it to show the team I'm with them," Webber said. "If things were going to be said, I wanted to be right there in the

Nelson, recovering from viral pneumonia, wasn't at the game. His son, Donnie, an assistant, is coaching the team in his

Looking for Christmas Playoff Goodies Mathis, with 108 catches, could have the No. 3 pass defense in rome Bettis needs 23 yards to become second receiver this the NFC. Game rated even. gain 1,000 this season; he need-

geles Raiders (9-6): The winner year to break NFL single seaof this game, one of 11 on Saturday, goes to playoffs. Chiefs
have dominated series recently,
winning 9 of last 10, but Raidwith nine. Cardinals by 3. ers have won five of their last six games and have found a way to effectively utilize running back Harvey Williams. Joe Montana returned to action for Chiefs last week after missing two garnes with foot injury, and he put an offensive spark back in team. Chiefs' plus-12 turnover ratio is second in AFC, Raiders' defense has given up 20 or more points just once in last nine games. Oddsmakers favor the Raiders by 31/2.

N.Y. Giants (8-7) at Dallas (12-3): In last six games, Giants' defense has allowed an average of 14.2 points a game as they re-entered playoff race. Cowboys have scored 404 points, second in NFL to 49ers' 491. Emmitt Smith is probably out with an injured hamstring, but Dallas still has many weapons. Rodney Hampton needs just 16 yards to become first running back for Giants to rush for 1,000 yards in four consecutive seasons. Cowboys by 3.

Cardinals have turned their season around, and have an opportunity to make the playoffs. Their offense "exploded" for 350 yards last week; running back Garrison Hearst, who has emerged from Buddy Ryan's doghouse, rushed for a touchdown and threw a touchdown pass against Cincinnati last week. Falcons' Jeff George has broken finger (not his passing hand), and it may limit his of-

Kansas City (8-7) at Los An- become second receiver this

Buffalo (7-8) at Indianapolis (7-8): For first time in six years, Bills won't be going to playoffs, and for minth time in last 10

NFL MATCHUPS

Bills have scored just 17 points

spot and possibly a division ti- Browns by 10. tle on the line. Offense has been hot, with Brett Farve needing 15 completions to become for either team, and it is ques- phins by 31/2. team's all-time leader in one tionable whether John Elway season. Bucs' resurgence has (knee) will be healthy enough to been tied to rookie running start for Broncos. Saints' Jim back Errict Rhett, who has av- Everett can throw deep to six games and has one rushing needs 36 yards to reach 1,000 in have allowed one sack in last by 5.

three to set NFL record for in NFL. Chargers by 3. most in one season. He leads league in completions (377) and yards passing (4,278). Bears lost last six games. Rams' Je-

playoffs. Eagles have scored just 69 points during six-game points. Rams by 4. losing streak and running back N.Y. Jets (6-9) at has 41 sacks, third most in

NFC. Eagles by 1. Seattle (6-9) at Cleveland years, neither will the Colts. (10-5): Browns are already in, Scahawks out. Dan McGwire, in each of last two games. Mar- filling in for Rick Mirer (broken shall Faulk's 1,702 yards from thumb), was sacked five times 1y Sanders wants to gain 169 scrimmage is second in the by Raiders last week. Browns' AFC and his 12 touchdowns for have one of league's most mi-Colts leads AFC. Colts by 2½. serly defenses, especially at for 2,000 yards in a season. Dol-Green Bay (8-7) at Tampa home, allowing just four touch-phins have already made play-Bay (6-9): Packers have playoff downs in last six games there.

New Orleans (6-9) at Denver are 0-3 on natural grass this (7-8): No playoff aspirations season; Dolphins are 7-2. Dol-

New England (9-6) at Chicago title last week by beating Cleve(9-6): Patriots, winners of six straight, are second hottest team in AFC behind title last week by beating Cleveland and getting home field advantage for playoffs. Chargers have made playoffs but would like to get first-round by and like to get in playoffs, although Bears have home game. Chargers are No. 1 their own playoff aspirations. in AFC against running, giving New England has better oftense, with Drew Bledsoe, who have given up just 16 touchhas thrown 653 passes, needing downs in last 15 games, fewest

ne NFC. Game rated even. gain 1,000 this season; he need-Philadelphia (7-8) at Cincin-ed 30 last week and was held to nati (2-13): Both teams out of 7 by Chicago. Redskins have lost last four by total of 12

N.Y. Jets (6-9) at Houston (1-Charlie Garner went out last 14): Another meaningless week with major knee injury. game. Jets have scored one Bengals are now more explosive touchdown in 13 quarters, Oilon offense, but Eagles' defense ers have scored just 55 points in last five games. Jets by 1½.

Detroit (9-6) at Miami (9-6): Lions want a victory in only Christmas Day game, so they can make playoffs and possibly win NFC Central division. Baryards so he can become third player in NFL history to rush for 2,000 yards in a season. Doloffs, but a victory will give them AFC East division title. Lions

San Francisco (13-2) at Minnesota (9-6): Depending on eartier games, Vikings may need to win Monday night to make eraged 108.8 yards rushing last speedy Michael Haynes, who playoffs, but couldn't have harder task. Warren Moon has touchdown in last four. Bucs receiving for season. Broncos sprained ligaments in his knee and might not be able to play. five games; NFL average over Pittsburgh (12-3) at San Die- During 49ers' 10-game winning

> just call, toll free, 0130 84 85 85

No. 6 Arizona Meets Match and More in Syracuse Washington. Arizona (7-2) lost No. 1 North Carolina 88, Ha-No. 15 Arizona State 72, for the first time since dropping waii 76: Jerry Stackhouse had Oklahoma State 69: Mario Ben-

The game was No. 6 Arizona at No. 14 Syracuse. The game within the game was defensive to open the season. stopper Reggie Geary against offensive star Lawrence Moten. Syracuse and Moten prevailed Thursday night when the Orangemen beat the Wildcats 94-84 as the senior guard had a

season-high 25 points. "It's an indication of how we can play when Lawrence is firing on all cylinders and moving the way he is capable," Syracuse coach Jim Boeheim said. "I don't care who guards him. If he is moving the way he's capable of moving, he is going to score points. We did a good job of looking for him early. He got

us off to a good start." Geary, a junior, knew that all

too well. "He got his confidence going in his first couple shots and then they were looking for him the rest of the night," Geary said. "I don't think we anticipated how intense they were going to be."

The victory was the seventh

"Syracuse showed how good a team it can be if it plays hard and together," Arizona coach

COLLEGE HIGHLIGHTS

Lute Olson said. "They are the best team we've played this

It wasn't all Moten for Syracuse. John Wallace finished with 19 points and 12 rebounds, Lucious Jackson scored 18 points and Michael Lloyd 15 r the Orangemen.

If Syracuse could beat a team like Arizona, Lloyd said, "We are going to be around at the

Moten agreed. "This was a great win for us. It puts us back on the map," he showed everybody what Syra-

cuse is about." Damon Stoudamire led Ariin a row for Syracuse after a zona with 22 points and Geary 15 turnovers and shooting 3season-opening loss to George had 19.

the Rainbows with 20 points.

No. 2 UCLA 137, George Mason 100: Tyus Edney had a career-high 28 points, a Pac-10 record 11 steals and 9 assists as the Bruins (5-0) spoiled the West Coast return of former Lakers coach Paul Westhead. UCLA led by 20 in the first half with 10:35 to play. The Patriots (4-2), who came in averaging 117.4 points, were led by G. C. Marcaccini's 19 points.

No. 7 Kansas 71, Rice 57: The Jayhawks (7-1) wore down the said. "A lot of people had questions about us. Tonight we final 10 minutes. Freshman showed everybody what Syra-Raef LaFrentz had 18 points and 9 rebounds for Kansas. which wasn't sharp, committing for-20 from 3-point range.

a 72-70 decision to Minnesota 21 points and 13 rebounds as nett of the Sun Devils (7-2) had ! the visiting Tar Heels (7-0) had 22 points and 14 rebounds as the trouble with the Rainbows (4 matchup of centers came out 1), who trailed just 71-67 with about even. Bryant Reeves had 24 6:30 to play. Stackhouse scored points and 13 rebounds as visiting seven of North Carolina's next Oklahoma State (8-3) had a sevnine points. Tes Whitlock led en-game winning streak ended.

Stanford 64, No. 22 Virgina 60: Brevin Knight returned from being hit in the face to score 8 of his 20 points in the final 3:42 as the Cardinal (7-0) remained unbeaten. Knight left the game with 7:42 to go after taking Cory Alexander's elbow to the chin. His 3-pointer with 3:42 remaining put the visitors ahead for good, 54-52, and he kept the Cavaliers (6-3) at bay in the final 44 seconds. Harold Deane led Virginia with 15 points.

Missouri 76, No. 23 Blinois 58: Before 21,714 at Kiel center in St. Louis the largest expend

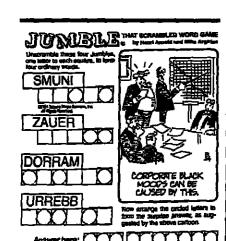
in St. Louis, the largest crowd ever to watch a basketball game in Missouri, Paul O'Liney scored 19 points and Derek Grimm was 4-for-4 from 3point range and had 18 points as the Tigers (7-1) beat Illinois for the fourth straight time.

DENNIS THE MENACE

fensive production. Terance



ÎHATS THE FIRST THING HE'S HUNG UP ALLYEAR!



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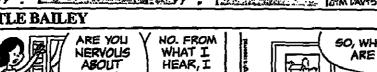
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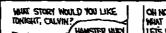


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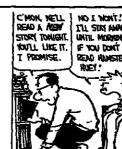




CALVIN AND HOBBES









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WIZARD of ID





BLONDIE



THE FAR SIDE



Your near

BASEBALL: New Battle Begins

Continued from Page 1 sport shares, the Senate has long been a basiion of resis-

Leading the resistance have been senators from states like Pennsylvania and Washington, where franchises like the Pittsburgh Pirates and the Seattle Mariners might someday move to larger or more prosperous cities if the owners could not stop them from doing so.

But this year's bitter labor dispute has shifted the focus of the antitrust debate from the franchise issue to an organized labor issue.

Mr. Graham said Mr. Moynihan's involvement was particularly significant because he had not previously taken an interest in the issue. Mr. Moynihan has long been a backer of labor

Mr. Hatch said he thought the legislation had a good chance to pass the House and the Senate, possibly with support from Representative News Gingrich, the Georgia Republican who will become the speaker next year. "I believe Gingrich is starting to wake up to this issue and a number of other Republican leaders over there -it's not right" what the owners are doing, Mr. Hatch said. Next, to the Courts

Major league baseball's next pitches will be made in the courts, beginning what most likely will be long and possibly historic litigation, it was reported earlier.

It is less likely that any pitches will be made on the playing fields next spring, when, the owners insist, what the United States regards as its "national pastime" will begin its 1995 sea-

litera dell'apil

In addition to possible congressional action to lift baseball's antitrust exemption, the owners' decision early Friday morning to impose a salary cap sets the stage for a bitter legal battle. It also jeopardized the coming season, when the owners will try to use replacement players and the players will continue a strike that began

Officials of the baseball players' union said they would file an unfair labor practice charge with the National Labor Rela-

The union will accuse man-I he union will accuse man-agement of failing to bargain in good faith and of declaring an

impasse when none existed. The National Labor Relations Board has already accused the owners of having failed to bargain in good faith for with-holding a \$7.8 million pension payment to the players in August. If the board decides to issue a complaint, it will go to U.S. District Court in New York to seek a preliminary injunction against the system the owners have put into effect. A

January or February.

The complaints before the board would be tried before an administrative law judge, with a ruling there unlikely until late 1995 or early 1996. The side that loses before the National Labor Relations Board would go to a Circuit Court of Appeals. The Supreme Court could make the ultimate decision, but that would not happen until 1997 or 1998.

decision could expected in late

"The owners will come to regret this — sooner than they realize," said the union leader, Donald Fehr.

Adding to the acrimony, the union representing major-league umpires also filed an unfair labor practices charge against the American and National Leagues on Thursday.

It asserts that league officials have conducted sham negotiations and intend to lock out the umpires on New Year's Day, after a collective bargaining agreement expires on Dec. 31. The allegations were rebutted by the league presidents, who are charged with negotiating with the umpires.

The collapse of negotiations in the 133-day-long players' strike came hours after the players, for the first time, made a two-tiered, escalating tax proposal designed, they contended, to apply the drag on salaries and the overall cost control the owners had been seeking through the cap or their own high rate tax proposals.

The owners' negotiating committee studied the proposal describing it in a statement as

an "empty bag."

William J. Usery, the special
mediator brought in by the
White House, said it was clear

an "empty bag."

contracts can be reduced by any amount from year to year.

Players called up in September, when rosters are ex-

These were among them:



Outfielder Kenny Lofton of the Cleveland Indians checking out of his Washington hotel.

was not withdrawing from the

dispute but would re-evaluate

his position. He said he was

prepared to continue but add-

• Elimination of the maxifor six hours before rejecting it, mum 20 percent pay cut, meaning salaries in nonguaranteed

"that there was no use going panded, will not be credited any further for the time being."

Aside from those high-profile eligibility for, among other provisions of the owners' new things, free agency and pen-system, there are many other sions, and players on disabled turn-back-the-clock items. lists will be credited with only 50 percent service time.

 Clubs can terminate and Earlier, former President release a player at any time, Jimmy Carter issued a state-Mr. Usery, the mediator, said ment through the Carter Center he would report to Secretary of in Atlanta saying that he would Labor Robert B. Reich on Fribe willing to mediate the baseday, and subsequently to President Bill Clinton. He said he tlement before the deadline. ball dispute if there was no set-

There was no official response from the players or owners, but Mr. Usery said, "The one thing I didn't think we ed, "That may change after I needed at the moment was anreport to the secretary of la- other mediator.

(NYT, WP, LAT, AP)

Hope Still Exists in NHL Despite Sporadic Talks

Compiled by Our Staff From Dispatches
NEW YORK — The National Hockey League lockout staggered into its 84th day Friday.

fairly close to agreement on issues of a rookie salary cap and changes in the free agency system, they remain apart on limit with only brief contact by telephone between the parties in the previous 24 hours.

"I doubt if there would be any meetings this weekend," said Arthur Pincus, an NHL spokesman. But he added: "I

wouldn't rule it out completely."
Formal talks between the full bargaining committees were broken off Dec. 6 in Chicago. Several subcommittee discussions were held last week in an attempt to resolve the dispute that threatens a season already reduced by 24 games to a 60game schedule.

Still, there were suggestions from sources on both sides that an agreement is still possible by Jan. 5 for a season opener on Jan. 15, although the schedule would be shorter than 50 games.

The league's Board of Governors gave NHL Commissioner Gary Bettman permission last week to shut down the league down if it became impossible to play a 50-game season and a full, four-round slate of playoffs by July 1.

That would seem to indicate the necessity of starting the sea-son by Jan. 15, which would probably mean getting a deal next week, if the owners stick to their timetable and if they allow two weeks for training.

But two league sources said that as long as talks continue, even sporadically, Bettman will not exercise his power to cancel the season. However, if there's no resolution by Jan. 11, the schedule will be cut to 44 or 40 games because of arena scheduling conflicts.

George Gund III, who owns the San Jose Sharks as well as the Cleveland Cavaliers, told his National Basketball Association team's players Thursday night that hockey negotiators

'are very, very close to a deal." During a visit to his team's dressing room after its 93-90 victory over the New York Knicks, Gund said, "I expect

they will be on the ice in about

tations regarding salary arbitration, as well as on a demand by owners for a payroll tax to hold down the escalation of wages.

After a meeting Wednesday in Toronto, players suggested they might compromise further on arbitration, but reaffirmed that they would accept no tax, which they say acts as a salary cap.

Many players said they have already made too many concessions in exchange for few gains, the largest of them the possibili-

ty of greater free agency oppor-tunities after the age of 30. "We still have Christmas," said Eric Lindros of the Phila-delphia Flyers. "Hopefully, we don't have to give that up. too. Ken Baumgartner of Torona vice-president of the

NHLPA, Association, said the union expects "attacks will be made on salary arbitration" during the next round of talks. "That's something we're go-ing to have to stand firm upon." Baumgartner said. "Many of

the players expressed the sentiment that what we have on the table is a fair deal." (NYT, LAT, Reuters)

BOC Sailor Van den Heede Falls Asleep, Runs Aground

SYDNEY - The French sailor Jean Luc Van den Heede ran aground Friday just 50 nautical miles from the finish of the second leg of the BOC 'Round the World Challenge race. Van den Heede, who was lying second behind compatriot Christophe Auguin, could be forced out of the race after suffering extensive damage to a mast and the keel of his 60foot boat, Vendée Entreprises, while two sails were badly

ripped, organizers said. Van den Heede, 49, a veteran of three previous around the world races, ran aground on a sand bar at Port Kembla near

Wollongong, south of Sydney.
"I fell asleep early in the afternoon and when I awoke an hour or so later the boat was in the sand," he said. "It was my fault. I was very tired. I didn't sleep at all through the Bass Strait and we had to be very close to shore to avoid the

SIDELINES

Men's Ski Race in France Called Off

MILAN (AP) - Despite scattered snowfalls in the Alps, the men's World Cup skiing program has been again disrupted by a lack of snow that has forced French organizers to cancel a giant slalom race scheduled for Meribel next Thursday.

A spokeswoman for the Swiss-based International Ski Federation said Friday that the race had not been immediately rescheduled, but that the women's slalom will be raced as scheduled in Meribel on Friday.

For the Kecord

University of Colorado regents, under tremendous pressure, voted by 6-3 to reject an offer to bolt the budding Big 12 Although the two sides are Conference and join the Pacific-10.

JOY TO THE WORLD By Randolph Ross

ACROSS Her Majesty Abbr. 5 Funpides

In Southwest 15 Wharton deg. 18 Feet 19 Anemic in the

20 Double duty conclusion

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greetings from Madrid 102 Marble 103 Baby sitter's

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113 Travel book? 114 Come to the fore 116 U.S.C.G. call 117 City on the Aire 118 Lee and Roosevelt

15 Season's

17 Silver

16 MTV bad boy

19 Third degrees

23 Red-and-white

24 Adm.'s outfit

33 Tot's timeout

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30 The Galápagos.

119 Unwelcome

1 "Mayor" author 2 Have no taste for 4 Eva's half sister 5 Kangaroo 6 Biblical judge

41 E.M.K. is one 7 Create 42 Teutopic 8 What's left 9 Without a key 11 Sorbonne 12 Ray

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99 Kidney-relate 100 60's-70's crime drama, with "The" 90 Mescal 101 Wings 108 Sonny 109 Undignified 91 Suit materials 93 Choice word 95 Cite, as reasons Solution to Puzzle of Dec. 17-18

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Top 25 College Results

UCLA (5-0) beat George Mason 137-100, N

Other Major College Scores

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South Carolina 69. S. Caro Southern Miss. 76, Miss

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Southern Meth. 81, North Texas 74
FAR WEST

Pacific 64, San Diego 55

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DAVE BARRY

Two Cases of Hare-Line Justice

MIAMI — Like most people, you probably often ask yourself: "What, exactly, are my legal rights if I am wearing

The answer, you will be relieved to learn. a bunny outfit?"

To understand why this is, let us first is: "It depends." consider a 22-page legal decision filed in October by U. S. District Judge David G. Larimer and sent to me by alert attorney James G. Vazzana of Rochester, New York. Here, according to Judge Larimer's decision, are the Facts of the Case (and I want to stress that I am not making ANY of this up):

On April 23, 1992, Timothy Wagner and John Payment were traveling on holiday through western New York state. They stopped their van in a Cattaraugus County town called Randolph to eat breakfast, and they noticed a little girl in the restaurant. This, according to Judge Larimer, gave them an idea:

The men decided it would be a treat for the girl if one of them went to the van, put on the Easter Bunny mask and walked to the window of the restaurant to surprise the girl."

It seems that Wagner and Payment were traveling with (Why not?) a large papier-maché bunny head. Each time they entered a new county, one of them would put on the bunny head and pose for a photograph next to the county sign on the roadside. (Judge Larimer notes that "They also had a seven-foot stuffed dog in the van which apparently also posed for some of these

roadside pictures.") So Payment got the bunny head out of the van, put it on and waved into the restaurant window until the little girl saw him. Then he put the bunny head away and went back to finish his breakfast.

In some towns, Wagner and Payment might have gotten away with this. But Randolph is not "some towns." Several alert citizens observed the Easter Bunny; they thought that it might have been looking into the windows of local banks. So a bank employee called the Cattaraugus County Sheriff's Department, which sent

two officers to Randolph to investigate.

By then Wagner and Payment had left town, but one of the officers, Lieutenant Ernie Travis, was able to trace Wagner's van from its license plate; he learned that Wagner had a criminal conviction (which

North America

North America
Detroit and Chicago will
remain much milder than
normal Sunday through
Tuesday, and no major
storms are expected. A
storm that will be lashing the
northeastern coast of the
U.S. today will start to move
away Sunday. New York City
will have sunshine Monday.

turned out to be related to income-taxevasion charges).

Lieutenant Travis, according to a deposition he gave later, as summarized by Judge Larimer, concluded that "the men were bank robbers." So he issued an All Points Bulletin to apprehend the suspects, who were described as "armed and dangerous."

Wagner and Payment were arrested at gunpoint by state police, handcuffed and returned to Cattaraugus County. There the bank-robbery case against them - which up to that point probably looked airtight - began to fall apart. For one thing, as Judge Larimer noted in his decision, no bank had been robbed. Also, Payment and Wagner did not flee, nor were they armed (unless you count the stuffed dog). Also, as the judge pointed out, robbers casing a bank probably would not wear a two-foothigh bunny head featuring "enormous

So after a couple of hours in custody. Wagner and Payment were released, and everybody had a good laugh, and then Wagner and Payment sued for \$2.1 million. Judge Larimer ruled that Lieutenant Travis acted improperly, and a jury will determine what the damages are.

This case reaffirms our fundamental right - not specifically mentioned in the Constitution, but clearly on the minds of the Founding Fathers — to look into bank windows while wearing bunny outfits. But that does not mean that we have carte blanche (literally, "bors d'oeuvres") to do whatever we wish. I have here a Nov. 3 Los Angeles Times story sent in by alert reader Cathy Perlmutter, concerning a 35-year-old, 225-pound man who dressed as a Samurai Bunny" for Halloween, meaning that he carried a wooden sword and had (I am still not making any of this up) "a stuffed bunny on his head." This man was arrested on suspicion of assault after he allegedly almost whacked off another man's ear with his sword when the man asked if he wasn't too old to be trick-or-treating.

So we see from these two cases that there is a "fine line" between legal and illegal bunny-outfit conduct. In this or any other legal matter, I strongly recommend that before you do anything, you pay a qualified attorney to give you advice that neither you nor he really understands. And make darned sure you register your stuffed dog.

Knight-Ridder Newspapers

Europe

After recent toggy days, London with have some clearing Sunday or Monday, and it will be milder as a result. Parts and Brussels will have some sunshive Sunday, then possibly a shower Monday. A storm will bring rains to Atheris oarly next week, and the rains will move into Istanbul.

As the most week, and the rains will move into Istanbul.

As the most week, and the rains will move into Istanbul.

As the most week, and the rains will move into Istanbul.

As the most week, and the most week into Istanbul.

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WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

Trafika, Prague's (Solvent) Literary Magazine

C TARTING up a literary magazine an be an act of folly, faith or rampant hubris. But sometimes it works. Trafika, an English-language quarterly in Prague, is just celebrating its first year of publication and solvency (solvency, in lit mag terms, means that it pays its printer but not its writers or staff). Its first issues have featured some

heavy hitters - Don DeLillo, Joyce Car-MARY BLUME

ol Oates, Czeslaw Milosz, Yves Simon, John Barth - but the magazine's young American editors, all in their 20s, are more committed to publishing what they call emerging writers, many of them translated into English for the first time. The fourth issue, which came out last week, presents 15 fiction and poetry writers from 13 countries, including An-

gola, Hungary, Sweden and China. According to Scott Rogers, the magazine's managing editor and director of the Globe bookshop in Prague, Trafika (the "i" being silent, it rhymes with Kafka) is the local word for kiosk, "a place where things and information are exchanged." Speaking by telephone from Prague, Rogers said the title expresses the magazine's aim, cultural exchange through literature using English as a lingua franca.

Trafika has a print run of 4,000, more than half of which is shipped to the United States. It is largely funded by gifts (it enjoys tax-deductible status in the state of New York) and by the occasional small grant. Beautifully printed, it looks more prosperous than it is.
"There's never enough money," Rogers
said. "Some days we can't afford to send

the mail out" The mail goes far afield. Since the magazine aims to get writers a wider audience by using English as a common language. the quality of translation is of top importance and the magazine's translators also

act as literary scouts and advisers.

One feature of the magazine is dialogues or conversations between writers. Trafika 3, for example, included a literary dialogue among the Chinese poets Yan Li, Yang Lian and Zhang Er about exile and its influence on language. Trafika 4 has a discussion on the postcolonial experience by Mia Couto of Mozambique and José Eduardo Agualusa of

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Angola, as well as a talk with Paul Bowles on the North African oral tradition and its relation to written literature.

With its large foreign population, of which YAPs (Young Americans in Prague) are a well-publicized subculture, Prague might seem the logical center for yet another literary magazine. "It has always been a place where there is a blend of cultures," Rogers says. Poetry editor Jeffrey Young, on the other hand, feels strongly that the magazine should not have an American or East European

"In our first issue there were maybe too many Czech writers. Trafika is an international literary magazine so there's no reason to focus on Czech writers any more than we would focus on Angolan

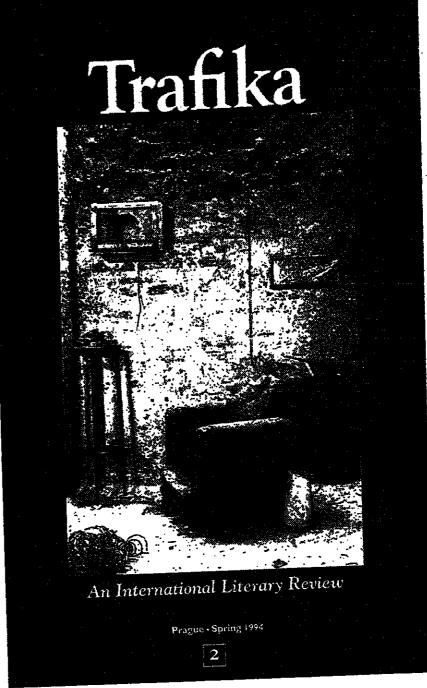
writers." With the communications revolution. Young doubts that any single city will again be a great literary center like, say, Paris in the 20s. Still, Prague offers low prices, making a hand-to-mouth existence more congenial than in most places, and an international atmosphere that is less easy to come by in the United States.

The drive of the magazine is very current internationalized writing, but cut in any marginalized sense," said not in any marginalized sense," Young, who worked on The Nation magazine in Washington and New York. "We don't deal in issues, we don't represent literature as coming from a certain corner of the world. We believe literature has a presence beyond national borders and we try to let it breathe freely. We also believe that that's how writers view literature."

Issue number 5 won't be out antil May, Young says. "We're taking a bit of a breather just to catch up with ourselves. Since we began the magazine has been sort of galloping ahead of us, we really want to harness that momentum and not be dragged along by it."

The magazine's emphasis on using English as a lingua franca is just that and not an attempt to impose the English language. For a Ukranian to be read in English by a Taiwanese is a lot more stimulating than just circulating at home. The variety also gives readers a lift.

"Trafika is a magazine of international writers and we hope it is also a magazine of international readers," Young



Cover design for an issue of Trafika.

PEOPLE

ON TOP OF THE WORLD — The model Christie Brinkley and Ricky Taubman, a real estate developer, were all smiles at their wedding atop ed States and a former ambassador to Den-Telluride Mountain in Colorado.

THE Duchess of York won't be going homeless in the new year after all. She and her daughters, 6-year-old Princess Beatrice and 4-year-old Princess Eugenie, have found an eight-bedroom mansion in Surrey, according to the Press Association. The duchess must vacate the house she now rents by the end of January. The rent on the Surrey mansion is reported to be £1,500 (\$2,300) per month, and the agency said the duchess, who is separated from Prince Andrew, will still be looking for a place to buy. She recently said in Washington that she could not afford to buy a suitable home.

Robert Zemeckis's "Forrest Gump" got seven nominations and Quentin Tarantino's "Pulp Fiction" took six as nominees for the Golden Globe awards were anced. The films were both nominated

John L. Loeb Jr., the president of the Winston Churchill Foundation of the Unitmark, has been named by Queen Elizabeth

ends of the Fall," "Nell" and "Quiz Show."

II to be an honorary commander of the Most Excellent Order of the British Empire. He received the honor for his efforts to strengthen Anglo-American relations in the fields of science and technology.

Anne Rice has taken out advertising in Hollywood's leading trade paper to critique the movie version of her popular novel "Interview With The Vampire" and take aim at its detractors. Rice was an early critic of the decision to cast Tom Cruise in the lead role of Lestat, but once she saw the finished version, she gracefully backed down by way of an ad in Daily Variety. "Tm no good at modesty," she wrote. "I like to believe Tom's Lestat will be remembered the way Olivier's Hamlet is remembered. Others may play the role some day but no one will ever forget Tom's version of it."

П A New York court granted the artist Jeff Koons a divorce from Ilona Staller, the Italian member of Parliament and porn star known as La Cicciolina, and gave him custody of the couple's 2-year-old son, Ludwig Maximilian. Staller was not at the trial. She left New York for Italy with her

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